
State:	District of Columbia	Filing Company:	Metropolitan Life Insurance Company
TOI/Sub-TOI:	H111 Individual Health - Disability Income/H111.004 Other		
Product Name:	Individual Disability Income Forms		
Project Name/Number:	IDIP12-01/B12-32 RW		

Filing at a Glance

Company:	Metropolitan Life Insurance Company
Product Name:	Individual Disability Income Forms
State:	District of Columbia
TOI:	H111 Individual Health - Disability Income
Sub-TOI:	H111.004 Other
Filing Type:	Rate
Date Submitted:	08/19/2013
SERFF Tr Num:	META-129106981
SERFF Status:	Closed-APPROVED
State Tr Num:	
State Status:	
Co Tr Num:	B12-32 RW (R-SUPP)
Implementation	
Date Requested:	
Author(s):	Sandra Bennett, Ruth Rivera, Linda Williams
Reviewer(s):	Darniece Shirley (primary), Alula Selassie, Donghan Xu
Disposition Date:	09/05/2013
Disposition Status:	APPROVED
Implementation Date:	09/05/2013
State Filing Description:	

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General Information

Project Name: IDIP12-01
Project Number: B12-32 RW
Requested Filing Mode: Review & Approval
Explanation for Combination/Other:
Submission Type: New Submission
Overall Rate Impact:

Status of Filing in Domicile: Authorized
Date Approved in Domicile: 11/28/2012
Domicile Status Comments:
Market Type: Individual
Individual Market Type:
Filing Status Changed: 09/05/2013
State Status Changed:
Created By: Ruth Rivera
Corresponding Filing Tracking Number:

Deemer Date:
Submitted By: Ruth Rivera

Filing Description:

This is an Individual Disability Income supplemental rate filing. Please see the cover letter for a detailed description of this submission.

Company and Contact

Filing Contact Information

Robert E. Winograd, Sr. Contract Anayst rwinograd@metlife.com
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Bridgewater, NJ 08807

Filing Company Information

Metropolitan Life Insurance Company	CoCode: 65978	State of Domicile: New York
MetLife	Group Code: 241	Company Type: Life
1095 Avenue of the Americas	Group Name:	State ID Number:
New York, NY 10036	FEIN Number: 13-5581829	
(212) 578-2211 ext. [Phone]		

Filing Fees

Fee Required? No
Retaliatory? No
Fee Explanation:

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
APPROVED	Darniece Shirley	09/05/2013	09/05/2013

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Disposition

Disposition Date: 09/05/2013

Implementation Date: 09/05/2013

Status: APPROVED

Comment: Corrections to the Premium Calculation Method in previously approved rate filing META-128721221 are accepted.

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
Metropolitan Life Insurance Company	0.000%	0.000%	\$0	0	\$0	0.000%	0.000%

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Cover Letter All Filings		Yes
Supporting Document	Certificate of Authority to File		Yes
Supporting Document	Actuarial Memorandum		Yes
Supporting Document	Actuarial Justification		Yes
Supporting Document	District of Columbia and Countrywide Loss Ratio Analysis (P&C)		Yes
Supporting Document	District of Columbia and Countrywide Experience for the Last 5 Years (P&C)		Yes
Supporting Document	Actuarial Memorandum and Certifications		Yes
Supporting Document	Unified Rate Review Template		Yes
Rate	Revised_Premium_Calculation_Examples_NFNV		Yes

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Rate Information

Rate data applies to filing.

Filing Method:	Electronic
Rate Change Type:	Neutral
Overall Percentage of Last Rate Revision:	%
Effective Date of Last Rate Revision:	
Filing Method of Last Filing:	Electronic

Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
Metropolitan Life Insurance Company	0.000%	0.000%	\$0	0	\$0	0.000%	0.000%

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TOI/Sub-TOI:	H111 Individual Health - Disability Income/H111.004 Other		
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Rate/Rule Schedule

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments
1		Revised_Premium_Calculation_Examples_NFNV	IDIP12-01	New		Revised_Premium_Calculation_Examples_NFNV.pdf,

**Policy Form: IDIP12-01 with Standard Definition of Total Disability
Premium Calculation Methodology**

The premium calculation methodology is outlined below. The premium rates shown in the Premium Tables are for *Non-Smoker* risks only. For the smoking hazard, the premium rates are multiplied by the applicable *Tobacco Use* rating factor from the premium rate pages. To make it simpler to follow, an example is used to demonstrate the development of Gross Premium. Obviously, if an optional benefit is not selected, the premium for it will be zero.

This example shows all benefits that are available nationally. Some of these optional riders are not available in individual states. These state variations in availability are documented herein. We will not issue an optional rider in any state that has not approved it.

- A. Determine the "Client Facts" as shown in the table below. This information pertains to the prospective client.

Gender	Male	Substandard Rating	20%
Issue Age (ALB)	37	Occupation Class	5A
Tobacco Use	Yes	Employee Group Size	N/A
Occupation	Systems Analyst	Participation Percentage	N/A
Spouse Issue Age (last birthday)	35	Spouse Tobacco Use	Yes
Spouse Substandard Rating	40%		

- B. Determine the required "Plan Design Facts" as shown below. This information describes the requested plan design.

Limited MD/SA Benefits	Yes
Premium Pattern	Level
Base Monthly Indemnity	\$ 5,000
Base Elimination Period	90 Days
Base Maximum Benefit Period	To Age 65 with the Graded Life Ext. 45/65
Residual Benefit	24 Month Recovery
COLA	3% Simple
Social Insurance Offset Monthly Indemnity	\$ 1,000
Social Insurance Offset Maximum Benefit Period	To Age 65
Social Insurance Offset Elimination Period	90 Days
Your Occupation Benefit (YO) OR Transitional Your Occupation Benefit (TYO)	Your Occupation
Guaranteed Insurability Benefit Indemnity	\$ 500
COBRA Benefit	\$ 1,000
Catastrophic Disability Benefit	\$ 2,000
Automatic Increase Benefit	Yes
Spousal Catastrophic Disability Benefit MI	\$1,600
Spousal Catastrophic Disability Benefit EP	90 Days
Spousal Catastrophic Disability Benefit MBP	5 Years
Policy Fee	\$ 60

C. Total Gross Premium for the requested Plan Design by the prospective client.

- ◆ Premium rates for smokers are generally the published non-smoker premium rates multiplied by a factor that varies by occupational class.
- ◆ For most benefits, the factors are: 1.20 for occupational classes 4A to 6S; 1.15 for occupational classes 2A and 3A; and 1.10 for occupational classes 1A and 1B.
- ◆ Exceptions to these factors above are:
 - the Catastrophic Disability Benefit, for which the factors are: 1.15 for occupational classes 2A to 6S, and 1.10 for occupational classes 1A and 1B; and
 - The Good Health benefit premium is based on the other premiums on the policy, and so the differentiation by smoking status comes from the calculation of its premium.

1. Gross Premium for “Base Benefit”

- a. From the premium table **“Basic Monthly Indemnity Benefit”** get the *Non-Smoker Premium Rate per \$100 Basic Monthly Indemnity* based on the following parameters:
 - Level Premium
 - Limited MD/SA: No
 - Max. Benefit Period: Graded Life Ext. 45/65
 - Elimination Period: 90 days
 - Reg. Occ. Period: Standard – MBP
 - Male
 - Occupation Class 5A
 - Issue Age 37
- ◆ Level Premium Rate per \$100 Basic Monthly Indemnity = \$ 55.29
- b. Multiply the Premium Rate per \$100 Basic Monthly Indemnity by the Tobacco Use Rating factor of 1.20 (shown at the bottom of the each Premium Table page) and round to two decimal places.
 - ◆ $\$ 55.29 \times 1.20 = \$ 66.35$ (rounded to two decimal places)
- c. Divide the Base Monthly Indemnity by 100 to convert it into \$100 units.
 - ◆ $\$ 5,000 / 100 = 50$
- d. Multiply the Smoker Rate calculated in “b” by the number of \$100 units of Base Monthly Indemnity calculated in “c” (and round to 2 decimal places) to get the Gross Premium for the Base Benefit
 - ◆ Level Premium Rate: $\$ 66.35 \times 50 = \$ 3,317.50$ (rounded to two decimal places)

2. Gross Premium for “Residual Disability”

(At most one of the four Residual Disability Benefit Riders may be attached to the policy. Also, the Partial Disability Benefit is mutually exclusive with the Residual Disability Benefit.)

- a. From Premium Table **“Monthly Benefit for Residual Disability (with the appropriate Recovery Benefit)”** get the *Non-Smoker Premium Rate per \$100 Basic Monthly Indemnity* based on the following parameters:

- Level Premiums
- Limited MD/SA: No
- Max. Benefit Period: Graded Life Ext. 45/65
- Elimination Period: 90 days
- Reg. Occ. Period: Not applicable
- 24 Months Recovery Benefit
- Male
- Occupation Class 5A
- Issue Age 37

◆ Premium Rate per \$100 Basic Monthly Indemnity = \$ 7.25

- b. Multiply the Premium Rate per \$100 Basic Monthly Indemnity by the Tobacco Use Rating factor of 1.20 (shown at the bottom of the Premium Table) and round to two decimal places.

◆ $\$ 7.25 \times 1.20 = \$ 8.70$ (rounded to two decimal places)

- c. Divide the Base Monthly Indemnity by 100 to convert it into \$100 units.

◆ $\$ 5,000 / 100 = 50$

- d. Multiply the Smoker Rate calculated in “b” by the number of \$100 units of Base Monthly Indemnity calculated in “c” (and round to 2 decimal places) to get the Gross Premium for the Residual Disability Benefit (with 24 Month Recovery Benefit)

◆ $\$ 8.70 \times 50 = \$ 435.00$

2A. Partial Disability Benefit

The Partial Disability Benefit is mutually exclusive with the Residual Disability Benefit. If this benefit is chosen, it will carry through forward in the calculations that follow in lieu of the Residual Disability Benefit. Also, unlike the Residual Disability Benefit, the Partial Disability Benefit will not impact the COLA benefit.

The calculation of the Partial Disability Benefit Premium is the same as the Residual Disability benefit above except that the Maximum Benefit Period for the Partial Disability Benefit is fixed in the rider form at 6 months (in the premium rate pages it is shown as “Not Applicable”).

3. Gross Premium for Cost of Living Adjustment (COLA) Benefit

(At most one of the three Cost of Living Adjustment Benefit Riders may be attached to the policy.)

- a. From the premium table **“Cost of Living Adjustment Benefit”** get the Non-Smoker COLA Premium Rate per \$100 Basic Monthly Indemnity (this is the premium rate for the COLA benefit applicable to the Base Benefit) and if applicable, from the premium table **“Monthly Benefit for Residual Disability (with the appropriate Recovery Benefit) on Cost of Living Adjustment Benefit”** get the *Non-Smoker Residual Disability (with 24 Month Recovery Benefit) on COLA Benefit Premium Rate per \$100 Basic Monthly Indemnity* based on the following parameters:

- Level Premiums
- Limited MD/SA: No
- Max. Benefit Period: Graded Life Ext. 45/65
- Reg. Occ. Period: Standard – MBP
- Residual Disability Benefit with 24 Months Recovery
- COLA Benefit: 3% Simple
- Male

- Occupation Class 5A
- Issue Age 37
- ◆ Non-Smoker COLA (Base Benefit) Premium Rate per \$100 Basic Monthly Indemnity = \$ 18.91
- ◆ Non-Smoker Residual Disability (with 24 Month Recovery Benefit) on COLA Benefit Premium Rate per \$100 Basic Monthly Indemnity = \$ 2.34
- b. Multiply the Premium Rates from “a” by the Tobacco Use Rating factor of 1.20 (shown at the bottom of the Premium Table) and round to two decimal places.
 - ◆ $\$ 18.91 \times 1.20 = \$ 22.69$ (rounded to two decimal places)
 - ◆ $\$ 2.34 \times 1.20 = \$ 2.81$ (rounded to two decimal places)
- c. Divide the Base Monthly Indemnity by 100 to convert it into \$100 units.
 - ◆ $\$ 5,000 / 100 = 50$
- d. Multiply the sum of the Smoker Rates calculated in “b” by the number of \$100 units of Base Monthly Indemnity calculated in “c” (round to 2 decimal places) to get the Total Gross Premium for the COLA Benefit
 - ◆ $(\$ 22.69 + \$ 2.81) \times 50 = \$ 1,275.00$ (rounded to two decimal places)

4. Gross Premium for Your Occupation Benefit (YO)

- a. From the premium tables for **“Your Occupation Benefit”** (including the premium rate cells for Occupational Classes 5I and 4M), the Non-Smoker Premium Rate per \$100 Basic Monthly Indemnity and if applicable, from the premium tables **“Cost of Living Adjustment Benefit on Your Occupation Benefit”** get the *Non-Smoker Premium Rate per \$100 Basic Monthly Indemnity* based on the following parameters:
 - Level Premiums
 - Limited MD/SA: No
 - Max. Benefit Period: To Age 65
 - Reg. Occ. Period: Not Applicable
 - 3% Simple COLA
 - Male
 - Occupation Class 5A
 - Issue Age 37
- ◆ Non-Smoker YO Benefit Premium Rate per \$100 Basic Monthly Indemnity = \$ 8.77
- ◆ Non-Smoker Cost of Living Adjustment Benefit YO Benefit = \$ 3.49
- b. Multiply the Premium Rates from “b” by the Tobacco Use Rating factor of 1.20 (shown at the bottom of the Premium Table) and round to two decimal places.
 - ◆ $\$ 8.77 \times 1.20 = \$ 10.52$ (rounded to two decimal places)
 - ◆ $\$ 3.49 \times 1.20 = \$ 4.19$ (rounded to two decimal places)
- c. Divide the Base Monthly Indemnity by 100 to convert it into \$100 units.
 - ◆ $\$ 5,000 / 100 = 50$
- d. Multiply the sum of the Smoker Rates calculated in “b” by the number of \$100 units of Base Monthly Indemnity calculated in “c” (round to 2 decimal places) to get the Total Gross Premium for the YO Benefit.
 - ◆ $(\$ 10.52 + \$ 4.19) \times 50 = \$ 735.50$ (rounded to 2 decimal places)

4A. Transitional Your Occupation (TYO) Benefit

(Mutually Exclusive Alternative to the Your Occupation Benefit)

The Transitional Your Occupation Benefit is not approved in New Jersey.

The premium for the Transitional Your Occupation Benefit is calculated similarly to the Your Occupation Benefit above except its Maximum Benefit Period is only limited by (but not determined by) the policy Maximum Benefit Period. We don't allow the MBP for the TYO benefit to exceed the policy MBP. In the case of the example, the applicant could choose either the 5 Year MBP or the To Age 65 MBP, but would not be allowed to choose the To Age 67 MBP or To Age 70 MBPs.

5. Limited MD/SA Benefit "Discount"

To calculate the Limited MD/SA Benefit "Discount" sum applicable benefits (steps 1 to 4) and multiply by the "discount" factor and round to two decimal places. The "discount" factor varies by the Base Maximum Benefit Period (MBP). For a MBP less than equal to 5 years, apply a 5% "discount". For a MBP greater than 5 years apply a 10% "discount".

1	Gross Premium for "Base Benefit"	\$ 3,317.50
2	Gross Premium for "Residual Disability"	\$ 435.00
3	Gross Premium for Cost of Living Adjustment (COLA) Benefit	\$ 1,275.00
4	Gross Premium for Your Occupation Benefit (YO)	\$ 735.50
(a)	Subtotal	\$ 5,763.00
10% x (a)	"Limited MD/SA Benefit "Discount"	\$ 576.30

6. Gross Premium for "Social Insurance Offset Benefit (SIO)"

The Social Insurance Substitute Benefit is available in New York and New Jersey. The Social Insurance Offset Benefit is available in all other states. (In the future, we may file the Social Insurance Offset Benefit in New York for use with our franchise policy forms.)

- a. From the premium tables "**Social Insurance Offset Benefit**" get the *Non-Smoker Premium Rate per \$100 Basic Monthly Indemnity*, and if applicable, from the premium tables "**Monthly Benefit for Residual Disability**", "**Monthly Benefit for Residual Disability (with appropriate Recovery Benefit)**", "**Cost of Living Adjustment Benefit**" and "**Cost of Living Adjustment Benefit on Social Insurance Offset Benefit**" get the *Non-Smoker Premium Rates per \$100 Basic Monthly Indemnity*, based on the following parameters:

- Level Premiums
- Limited MD/SA: No
- Max. Benefit Period: To Age 65
- Elimination Period: 90 days (used only for the SIO Basic Monthly Indemnity premium rate and Monthly Benefit for Residual Disability)
- Residual Disability with 24 Month Recovery
- Reg. Occ. Period: Standard – MBP
- YO Benefit - To Age 65
- 3% Simple COLA
- Sex: Male
- Occupation Class 5A
- Issue Age 37
- ◆ SIO Premium Rate per \$100 SIO Monthly Indemnity = \$ 19.24
- ◆ COLA on SIO Benefit = \$ 4.57
- ◆ Residual Disability Benefit with 24 Month Recovery = \$ 4.59
- ◆ Residual Disability Benefit with 24 Month Recovery on COLA Benefit = \$ 1.20
- ◆ YO Benefit – Capped to Age 65 = \$ 3.45
- ◆ COLA on YO Benefit – Capped to Age 65 = \$ 1.22

- b. Multiply the Premium Rates from "a" by the Tobacco Use Rating factor of 1.20 (shown at the bottom of the Premium Table) and round to two decimal places.

- ◆ $\text{SIO} - \$19.24 \times 1.20 = \23.09 (rounded to two decimal places)
- ◆ $\text{COLA on SIO} - \$4.57 \times 1.20 = \5.48 (rounded to two decimal places)
- ◆ $\text{Residual Disability} - \$4.59 \times 1.20 = \$5.51$ (rounded to two decimal places)
- ◆ $\text{Residual Disability COLA} - \$1.20 \times 1.20 = \$1.44$ (rounded to two decimal places)
- ◆ $\text{YO Benefit} - \text{Capped to Age 65} - \$3.45 \times 1.20 = \$4.14$ (rounded to two decimal places)
- ◆ $\text{COLA on YO Benefit} - \text{Capped to Age 65} - \$1.22 \times 1.20 = \$1.46$ (rounded to two decimal places)
- c. Divide the SIS Monthly Indemnity by 100 to convert it into \$100 units.
 - ◆ $\$1,000 / 100 = 10$
- d. Multiply the sum of the Smoker Rates calculated in "b" by the number of \$100 units of Base Monthly Indemnity calculated in "c" (round to 2 decimal places) to get the Gross Premium for the SIO Benefit
 - ◆ $(\$23.09 + \$5.48 + \$5.51 + \$1.44 + \$4.14 + \$1.46) \times 10 = \$411.20$ (rounded to 2 decimal places)
- e. To calculate the Limited MD/SA Benefit "Discount", multiply the Gross Premium for the SIO Benefit calculated in "d" by the "discount" factor and round to two decimal places. The "discount" factor varies by the Base Maximum Benefit Period (MBP). For a MBP less than equal to 5 years, apply a 5% "discount". For a MBP greater than 5 years apply a 10% "discount".
 - ◆ $\$411.20 \times 10\% = \41.12 (rounded to 2 decimal places)
- f. To calculate the Total Gross Premium for the SIO Benefit, subtract the Limited MD/SA Benefit "Discount" calculated in "e" from the Gross Premium for the SIO Benefit calculated in "d".
 - ◆ $\$411.20 - \$41.12 = \$370.08$ (rounded to 2 decimal places)

7. Gross Premium for Guaranteed Insurability Option Benefit (GIB)

(Mutually Exclusive with Life Event Increase Benefit)

- a. Multiply the Premium Rates by the Tobacco Use Rating factor of 1.20 (shown at the bottom of the Premium Table) and round to two decimal places.

- ◆ The **Level** premium rate for Base Benefit = 42.60
- ◆ GIO on (each component below rounded to two decimal places):

Base	–	\$ 55.29	x	1.2	=	\$ 66.35
Residual	–	\$ 7.25	x	1.2	=	\$ 8.70
COLA	–	\$ 18.91	x	1.2	=	\$ 22.69
Residual/COLA	–	\$ 2.34	x	1.2	=	\$ 2.81
YO	–	\$ 8.77	x	1.2	=	\$ 10.52
YO/COLA	–	\$ 3.49	x	1.2	=	\$ 4.19

- b. Multiply by 25% each of the Nonsmoker Rates per \$100 of Monthly Indemnity for the “Base Benefit” (Level Premium) and the applicable optional benefits: “Residual Disability Benefit with 24 Month Recovery”, “Total COLA Benefit” and the “Total YO Benefit” (after adjustment for Graded Life Extension 45/65 MBP, if applicable) and round each component to two decimal places.

- ◆ GIO on:

Base	–	25%	x	\$ 66.35	=	\$16.59
Residual	–	25%	x	\$ 8.70	=	\$ 2.18
COLA	–	25%	x	\$ 22.69	=	\$ 2.18
Residual/COLA	–	25%	x	\$ 2.81	=	\$ 0.70
YO	–	25%	x	\$ 10.52	=	\$ 2.63
YO/COLA	–	25%	x	\$ 4.19	=	\$ 1.05

- c. Divide the GIB Monthly Indemnity by 100 to convert it into \$100 units.

- ◆ $\$500 / 100 = 5$

- d. Multiply the sum of the GIO Rates calculated in “b” by the number of \$100 units of Base Monthly Indemnity calculated in “c” (round to 2 decimal places) to get the Gross Premium for the GIB

- ◆ $(\$16.59 + \$2.18 + \$2.18 + \$0.70 + \$2.63 + \$1.05) \times 5 = \$144.10$ (rounded to 2 decimal places)

- e. To calculate the Limited MD/SA Benefit “Discount”, multiply the Gross Premium for the GIB calculated in “d” by the “discount” factor and round to two decimal places. The “discount” factor varies by the Base Maximum Benefit Period (MBP). For a MBP less than equal to 5 years, apply a 5% “discount”. For a MBP greater than 5 years apply a 10% “discount”.

- ◆ $\$144.10 \times 10\% = \14.41 (rounded to 2 decimal places)

- f. To calculate the Total Gross Premium for the GIB, subtract the Limited MD/SA Benefit “Discount” calculated in “e” from the Gross Premium for the GIB calculated in “d”.

- ◆ $\$144.10 - 14.41 = \129.69 (rounded to 2 decimal places)

7A. Life Event Increase Benefit

(Mutually Exclusive Alternative to Guaranteed Insurability Option Benefit)

The calculation of the Life Event Increase Benefit premium is the same as Guaranteed Insurability Option Benefit above except the factor of 7.5% is used in place of 25%.

8. Gross Premium for Catastrophic Disability Benefit

This benefit is not available in Connecticut. The amount of this benefit is restricted in New Jersey; please see the “Availability of Selected Policy Features” Section of this filing.

- a. From the premium tables for **Catastrophic Disability Benefit** (with the applicable duration) whichever is applicable get the Non-Smoker Premium Rate per \$100 Basic Monthly Indemnity

ty and if applicable, from the premium tables **“Cost of Living Adjustment Benefit on Catastrophic Disability Benefit”** get the *Non-Smoker Premium Rate per \$100 Basic Monthly Indemnity* based on the following parameters:

- Level Premiums
- Limited MD/SA: N/A.
- Reg. Occ. Period: Standard – N/A
- 3% Simple COLA
- Male
- Occupation Class 5A
- Issue Age 37
- ◆ Non-Smoker Premium Rate per \$100 Basic Monthly Indemnity = \$ 1.71
- ◆ Non-Smoker Cost of Living Adjustment Benefit = \$ 0.50
- b. Multiply the Premium Rates from “a” by the Tobacco Use Rating factor of 1.10 (shown at the bottom of the Premium Table) and round to two decimal places.
 - ◆ Basic Cat. Dis. - \$ 1.71 x 1.10 = \$ 1.97 (rounded to two decimal places)
 - ◆ COLA on Cat. Dis. - \$ 0.50 x 1.10 = \$ 0.57 (rounded to two decimal places)
- c. Divide the Base Monthly Indemnity by 100 to convert it into \$100 units.
 - ◆ \$ 2,000 / 100 = 20
- d. Multiply the sum of the Smoker Rates calculated in “b” by the number of \$100 units of Base Monthly Indemnity calculated in “c” (round to 2 decimal places) to get the Total Gross Premium for the Catastrophic Benefit.
 - ◆ (\$ 1.97 + \$ 0.57) x 20 = \$ 50.80 (rounded to 2 decimal places)

9. Subtotal – 1

Sum the Gross Premiums for the “Base Benefit”, “Residual Disability Benefit with 24 Month Recovery”, “Total COLA Benefit”, “Total YO Benefit”, “Limited MD/SA Benefits discount”, “Total SIO Benefit”, the “Total GIB” and the “Catastrophic Disability Benefit”

- ◆ Level Premium: \$ 3,317.50 + \$ 435.00 + \$ 1,275.00 + \$ 735.50 - \$ 576.30 + \$ 370.08 + \$ 129.69 + \$ 50.80
= \$ 5,737.27

10. Premiums for Benefits Added After Issue.

The premiums for these policy changes are calculated as described above. The premium shown for the first four items below would be the sum of Step 1 through 5, if applicable.

- a. Exercises of the Automatic Increase Benefit.
- b. Exercises of the Guaranteed Insurability Option (or the Life Event Increase Benefits
- c. Increases to the Monthly Indemnity Benefit added with Underwriting.
- d. Any Other Increase to Monthly Indemnity Benefit
- e. Optional Benefits Added After Issue.

11. Gross Premium for the “Substandard Rating”

Multiply the sum of *Subtotal – 1* and the total of Premiums for Benefits Added After Issue by the Substandard Rating factor (from Client Facts) and round to two decimal places.

- ◆ Level Premium: \$ 5,737.27 x 20% = \$ 1,147.45 (rounded to two decimal position)

12. Subtotal – 2

Sum *Subtotal – 1*, the total of Premiums for Benefits Added After Issue and the Gross Premium for the “Substandard Rating”

- ◆ Level Premium: \$ 5,737.27 + \$ 0.00 - \$ 1,147.45 = \$ 6,884.72

13. Policy Fee

Policy Fee is \$ 60.00 per annum. If it is necessary to divide coverage for an individual between two policies, we will waive the second policy fee.

14. Subtotal – 3

Sum *Subtotal – 2*, and the Policy Fee

- ◆ Level Premium: \$ 6,884.72 + \$ 60.00 = \$ 6,944.72

15. Refund of Premium

This benefit is not available in Connecticut, Florida, New Jersey, New York, Oregon, Pennsylvania and Tennessee.

- ◆ Level Premium: \$ 6,944.72 * 70.0% = \$ 4,798.59 (rounded to two decimal places)

16. Subtotal – 4

- ◆ Level Premium: \$ 6,944.72 + \$ 4,861.30 = \$ 11,806.02

17. Employer Multi-life / Association Case Discount / Multi-policy Discount

The discounts for employer and association sponsorship are mutually exclusive.

The multi-policy discount (5%) is only available to individually sold disability applicants who are currently applying for within the last twelve months or have purchased a MetLife individual life insurance policy. The discounts for employer and association sponsorship may be combined with the Multi-policy discount. The combined discount used in the formula below is:

$$\text{EmployerAssocDisc} + \text{MultiPolicyDisc}$$

From the Client Facts look up the Multi-life Case Discount for which the policy is eligible. Multiply Subtotal – 4 by the Multi-life Case Discount (since this is a discount, a negative amount should be used in the calculation) and round to two decimal places to get the Multi-life Case Discount Amount.

- ◆ Level Premium: \$ 11,806.02 x -0.00% = - \$ 0.00

In New Jersey only, the reduction in the premium resulting from these calculations will be allocated proportionately to the lines above.

18. Spousal Catastrophic Disability Benefit

This benefit will only be issued on a standard rated basis. This benefit is not available in Connecticut and New Jersey.

- ◆ Spousal Catastrophic Disability Benefit Nonsmoker Premium Rate per \$100 Monthly Indemnity= \$ 1.12 (same as the occupational class 1A premium rates for the Catastrophic Disability benefit)
- ◆ Spousal Catastrophic Disability Benefit Smoker Premium Rate per \$100 Monthly Indemnity \$ 1.12 * 1.10 = \$ 1.23 (Note: Use the Occupational Class 1A Factor)
- ◆ Substandard Rating \$ 1.23 * 40% = \$ 0.49
- ◆ Premium for the Refund of Premium Benefit on the Spousal Catastrophic Disability Benefit, if applicable (\$ 1.23 + \$ 0.42)* 70.0% = \$ 1.20, rounded to cents.
- ◆ Spousal Catastrophic Disability Benefit Monthly Indemnity - \$1600 / \$100 = 16
- ◆ Premium for Spousal Catastrophic Disability Benefit – (\$ 1.23 + \$ 0.49 + \$ 1.20) x 16 = \$ 46.72, rounded to two decimal places.

19. Annual Premium

Sum *Subtotal – 4* and the Multi-life Case Discount Amount to get the Annual Premium for the policy

- ◆ Level Premium: \$ 11,806.02 + - \$ 0.00 + \$ 46.72 = \$ 11,852.74

20. Modal Premiums

a. Modal Premium Factors:	Regular Billed	List-billed
Annual	1.0000	0.9500
Semi-annual	0.5100	0.4845
Quarterly	0.2800	0.2660
	(0.2650 in FL)	(0.2650 in FL)
Pre-authorized Check	0.0863	N/A
Monthly Billed	0.0932	N/A
	(0.0900 in FL)	

	Employer or Assoc. Multi-life Discounts	No Employer or Assoc. Multi-life Discounts
Monthly list-billed	0.0863	0.0820
Semi-monthly list-billed	0.0432	0.0410
Quad weekly list-billed	0.0800	0.0760
Biweekly list-billed	0.0400	0.0380

b. Semi-annual

Multiply the Annual Premium by the Semi-Annual Modal Factor, rounding to two decimal places to get the Semi-Annual Premium Amount.

- ◆ Level Premium: \$ 11,852.74 x 0.5100 = \$ 6,044.90 (rounded to two decimal places)

c. Monthly Pre-authorized Check

Multiply the Annual Premium by the Pre-authorized Check Modal Factor, rounding to two decimal places to get the Semi-Annual Premium Amount.

- ◆ Level Premium: \$ 11,852.74 x 0.0863 = \$ 1,022.89 (rounded to two decimal places)

21. Automatic Increase Benefit

Five percent of the Base Monthly Indemnity (5% * \$5,000 = \$250).

- a. For the next five policy anniversaries, lookup the premium rates for the base benefit, residual benefit, COLA benefit (and residual benefit thereon), and the appropriate your occupation benefit (and COLA thereon)

Policy Anniversary	1	2	3	4	5
Attained Age	38	39	40	41	42
Base Benefit	58.84	62.47	66.17	69.89	73.61
Residual Benefit	7.70	8.17	8.64	9.12	9.60
COLA Benefit	19.71	20.47	21.19	21.83	22.39
Res. On COLA	2.43	2.52	2.61	2.68	2.74
YO	9.32	9.87	10.42	10.97	11.51
YO - COLA	3.64	3.77	3.89	4.00	4.09

- b. Apply the smoker factor (multiply the premium rates above by 1.20), if applicable.
 Total the premium rates.

Policy Anniversary	1	2	3	4	5
Attained Age	38	39	40	41	42
Base Benefit	70.61	74.96	79.40	83.87	88.33
Residual Benefit	9.24	9.80	10.37	10.94	11.52
COLA Benefit	23.65	24.56	25.43	26.20	26.87
Res. On COLA	2.92	3.02	3.13	3.22	3.29
YO	11.18	11.84	12.50	13.16	13.81
YO - COLA	4.37	4.52	4.67	4.80	4.91
Total	121.97	128.70	135.50	142.19	148.73

- c. Multiply the premium rates above by the AIB monthly indemnity in hundreds(\$250 / 100 = 2.50) and round the product to two decimal places.

Policy Anniversary	1	2	3	4	5
Attained Age	38	39	40	41	42
Total	121.97	128.70	135.50	142.19	148.73
AIB Monthly Indemnity	2.50	2.50	2.50	2.50	2.50
Annual AIB Premiums before Adjustments and Discounts	304.93	321.75	338.75	355.48	371.83

- d. Calculate Substandard Ratings, Financial Disclosure Adjustments, Good Health Benefit and Multi-life Discounts components to the premium.

Policy Anniversary	1	2	3	4	5
Attained Age	38	39	40	41	42
Annual AIB Premiums before Adjustments and Discounts*	304.93	321.75	338.75	355.48	371.83
Substandard Rating (20%)	60.99	64.35	67.75	71.10	74.37
Subtotal 1	365.92	386.10	406.50	426.58	446.20
Good Health Benefit (Factor 70%)	256.14	270.27	284.55	298.61	312.34
Subtotal 2	622.06	656.37	691.05	725.19	758.54
Employer ML / Assoc. Discount (0%)	0.00	0.00	0.00	0.00	0.00
Annual AIB Premiums	622.06	656.37	691.05	725.19	758.54
* The premiums from this line carry into Line 10a of the main premium calculation.					

- e. Modal Premiums

Policy Anniversary	1	2	3	4	5
Attained Age	38	39	40	41	42
Annual AIB Premiums	622.06	656.37	691.05	725.19	758.54
Semi-annual (0.5100)	317.25	334.75	352.44	369.85	386.86
Pre-authorized check (0.0863)	53.68	56.64	59.64	62.58	65.46

Premium Calculation Summary Policy Form: IDIP12-01 with Standard Definition of Total Disability									
Rating Variables		Non-smoker Rate Per \$100 of MI (after Adjust- ment for Graded Life 45/65		Factor for Tobacco Use		Smoker Rate per \$100 of MI		Monthly Benefit in \$100 Units	Gross Premium
(1)	Base Benefit – Level	55.29	x	1.2	=	66.35	x	50	= \$ 3,317.50
(2)	Residual Benefit with 24 Month Recovery	7.25	x	1.2	=	8.70	x	50	= \$ 435.00
(2A)	Partial Disability	0.33	x	1.2		0.40	x	50	= \$ 20.00
(3)	Cost of Living Adjustment (COLA)								
	COLA – Base Benefit	18.91	x	1.2	=	22.69			
	COLA – Residual Benefit with 24 Month Recovery	2.34	x	1.2	=	2.81			
	Total Cost of Living Adjustment (COLA)	21.25				25.5	x	50	= \$ 1,275.00
(4)	Your Occ. (YO)								
	YO	8.77	x	1.2	=	10.52			
	YO - COLA	3.49	x	1.2	=	4.19			
	Total Your Occ. (YO)	12.26				14.71	x	50	= \$ 735.50
(4A)	Transitional Your Occ. (TYO)								
	TYO - To Age 65	2.08	x	1.2	=	2.50			
	TYO – To Age 65 - COLA	0.79	x	0.0	=	0.95			
	Total Transitional Your Occ. (TYO) – To Age 65	2.87				3.45	x	50	= \$ 172.50
(5)	Limited MD/SA Benefits "discount"								
						(a) Subtotal			= \$ 5,763.00
						(b) "Discount" = 10% x (a)			= \$ 576.30
						Subtotal [(a) - (b)]			= \$ 5,186.70
	<i>Note: MBP less than equal to 5 years = 5% "discount"</i> <i>MBP greater than 5 years = 10% "discount"</i>								
(6)	Social Insurance Offset (SIO)								
	SIO – Basic	19.24	x	1.20	=	23.09			
	Residual Benefit with 24 Month Recovery	4.59	x	1.2	=	5.51			
	COLA	4.57	x	1.20	=	5.48			
	Residual Benefit with 24 Month Recovery - COLA	1.2	x	1.2	=	1.44			
	Your Occ (Capped to Age 65)	3.45	x	1.2	=	4.14			
	Your Occ - COLA (Capped to Age 65)	1.22	x	1.2	=	1.46			
(a)	Social Insurance Offset (SIO)					41.12	x	10.00	= \$ 411.20
(b)	Limited MD/SA Benefits "discount"					"Discount" = 10% x (a)			= \$ 41.12
	Total Social Insurance Offset (SIO)					Subtotal [(a) - (b)]			= \$ 370.08

Premium Calculation Summary											
Policy Form: IDIP12-01 with Standard Definition of Total Disability											
Rating Variables		Non-smoker Rate Per \$100 of MI		Factor for Tobacco Use		Smoker Rate per \$100 of MI		Monthly Benefit in \$100 Units		Gross Premium	
(7) Guaranteed Insurability Benefit (Mutually Exclusive with Life Event Increase Benefit)											
Level Premium Rate - Base Benefit 1.2 x 55.29		66.35	x	25%	16.59						
Residual Benefit Premium 1.2 x 7.25		8.70	x	25%	2.18						
COLA Benefit Premium 1.2 x 18.91		22.69	x	25%	5.67						
Residual-COLA Premium 1.2 x 2.34		2.81	x	25%	0.70						
YO Benefit Premium 1.2 x 8.77		10.52	x	25%	2.63						
YO COLA Premium 1.2 x 3.49		4.19	x	25%	1.05						
(a) Gross Premium - Guaranteed Insurability Benefit						28.82	x	5	=	\$ 144.10	
(b) Limited MD/SA Benefits "discount"						"Discount" = 10% x (a)				=	\$ 14.41
Gross Premium – Total Guaranteed Insurability Benefit						Subtotal [(a) - (b)]				=	\$ 129.69
(7A) Life Event Benefit											
Level Premium Rate - Base Benefit 1.2 x 55.29		66.35	x	7.5%	4.98						
Residual Benefit Premium 1.2 x 7.25		8.70	x	7.5%	0.65						
COLA Benefit Premium 1.2 x 18.91		22.69	x	7.5%	1.70						
Residual-COLA Premium 1.2 x 2.34		2.81	x	7.5%	0.21						
YO Benefit Premium 1.2 x 8.77		10.52	x	7.5%	0.79						
YO COLA Premium 1.2 x 3.49		4.19	x	7.5%	0.31						
Gross Premium - Life Event Benefit						8.64	x	5	=	\$ 43.20	
(8) Catastrophic Disability Benefit											
Catastrophic Disability Benefit Basic		1.71	x	1.1	=	1.97					
COLA on Catastrophic Disability Benefit		0.5	x	1.1	=	0.57					
Catastrophic Disability Benefit		2.21				2.54	x	20.00	=	\$ 50.80	
(9) Subtotal – 1											\$ 5,737.27
(10) Premiums for Benefits Added After Issue											
a. Exercises of the Automatic Increase Benefit.											
b. Exercises of the Guaranteed Insurability Option Benefit.											
c. Increases to the Monthly Indemnity Benefit added with Underwriting.											
d. Any Other Increase to Monthly Indemnity Benefit.											
e. Optional Benefits Added After Issue.											
(11) Substandard Rating (20% of Subtotal 1)											\$ 1,147.45
(12) Subtotal – 2											\$ 6,884.72

Premium Calculation Summary (Continued)					Gross Premium
(13)	Policy Fee				\$ 60.00
(14)	Subtotal – 3				\$ 6,944.72
(15)	Refund of Premium (70% of Subtotal 3)				\$ 4,861.30
(16)	Subtotal – 4				\$ 11,806.02
(17)	Employer Multi-life / Association Case Discount				- \$ 0.00
(18)	Spousal Catastrophic Disability Benefit				
	Premium Rate for Catastrophic Disability Benefit Occupational Class 1A; Nonsmoker	1.12			
	Smoker Factor – Class 1A	1.1			
	Smoker Premium Rate	1.23			
	Substandard Rating (40%), if applicable	0.49			
	Refund of Premium Benefit (70%) of the sum of the previous two lines	1.2			
	Sum of the above three lines times number of units	2.92	x	16	\$ 46.72
(19)	Annual Premium				\$ 11,852.74
(20)	Modal Premium				
	Semi-Annual (51% of Annual Premium)				\$ 6,044.90
	Monthly Pre-authorized Check (8.63% of Annual Premium)				\$ 1,022.89
(21)	Automatic Increase Benefit				
	See main body of this document.				

**Policy Form: IDIP12-01 with Alternate Definition of Total Disability
Premium Calculation Methodology**

The premium calculation methodology is outlined below. The premium rates shown in the Premium Tables are for *Non-Smoker* risks only. For the smoking hazard, the premium rates are multiplied by the applicable *Tobacco Use* rating factor from the premium rate pages. To make it simpler to follow, an example is used to demonstrate the development of Gross Premium. Obviously, if an optional benefit is not selected, the premium for it will be zero.

This example shows all benefits that are available nationally. Some of these optional riders are not available in individual states. These state variations in availability are documented herein. We will not issue an optional rider in any state that has not approved it.

- A. Determine the "Client Facts" as shown in the table below. This information pertains to the prospective client.

Gender	Male	Substandard Rating	20%
Issue Age (ALB)	37	Occupation Class	5A
Tobacco Use	Yes	Employee Group Size	N/A
Occupation	Systems Analyst	Participation Percentage	N/A
Spouse Issue Age (last birthday)	35	Spouse Tobacco Use	Yes
Spouse Substandard Rating	40%		

- B. Determine the required "Plan Design Facts" as shown below. This information describes the requested plan design.

Limited MD/SA Benefits	Yes
Premium Pattern	Level
Base Monthly Indemnity	\$ 5,000
Base Elimination Period	90 Days
Base Maximum Benefit Period	To Age 65 with the Graded Life Ext. 45/65
Residual Benefit	24 Month Recovery
COLA	3% Simple
Social Insurance Offset Monthly Indemnity	\$ 1,000
Social Insurance Offset Maximum Benefit Period	To Age 65
Social Insurance Offset Elimination Period	90 Days
Your Occupation Benefit (YO) OR Transitional Your Occupation Benefit (TYO)	Your Occupation
Guaranteed Insurability Benefit Indemnity	\$ 500
COBRA Benefit	\$ 1,000
Catastrophic Disability Benefit	\$ 2,000
Automatic Increase Benefit	Yes
Spousal Catastrophic Disability Benefit MI	\$1,600
Spousal Catastrophic Disability Benefit EP	90 Days
Spousal Catastrophic Disability Benefit MBP	5 Years
Policy Fee	\$ 60

C. Total Gross Premium for the requested Plan Design by the prospective client.

- ◆ Premium rates for smokers are generally the published non-smoker premium rates multiplied by a factor that varies by occupational class.
- ◆ For most benefits, the factors are: 1.20 for occupational classes 4A to 6S; 1.15 for occupational classes 2A and 3A; and 1.10 for occupational classes 1A and 1B.
- ◆ Exceptions to these factors above are:
 - the Catastrophic Disability Benefit, for which the factors are: 1.15 for occupational classes 2A to 6S, and 1.10 for occupational classes 1A and 1B; and
 - The Good Health benefit premium is based on the other premiums on the policy, and so the differentiation by smoking status comes from the calculation of its premium.

1. Gross Premium for “Base Benefit”

- a. From the premium table **“Basic Monthly Indemnity Benefit”** get the *Non-Smoker Premium Rate per \$100 Basic Monthly Indemnity* based on the following parameters:

- Level Premium
- Limited MD/SA: No
- Max. Benefit Period: Graded Life Ext. 45/65
- Elimination Period: 90 days
- Reg. Occ. Period: Standard – MBP
- Male
- Occupation Class 5A
- Issue Age 37

- ◆ Level Premium Rate per \$100 Basic Monthly Indemnity = \$ 55.29

- b. From the premium tables for **“Your Occupation Benefit”** (including the premium rate cells for Occupational Classes 5I and 4M), the Non-Smoker Premium Rate per \$100 Basic Monthly Indemnity and if applicable, from the premium tables **“Cost of Living Adjustment Benefit on Your Occupation Benefit”** get the *Non-Smoker Premium Rate per \$100 Basic Monthly Indemnity* based on the following parameters:

The Your Occupation Benefit is not currently approved in Michigan, but we may submit it for approval in the future.

- Level Premiums
- Limited MD/SA: No
- Max. Benefit Period: To Age 65
- Reg. Occ. Period: Not Applicable
- 3% Simple COLA
- Male
- Occupation Class 5A
- Issue Age 37

- ◆ Non-Smoker YO Benefit Premium Rate per \$100 Basic Monthly Indemnity = \$ 8.77

- c. Multiply the Premium Rate per \$100 Basic Monthly Indemnity by the Tobacco Use Rating factor of 1.20 (shown at the bottom of the each Premium Table page) and round to two decimal places.

- ◆ $\$ 55.29 \times 1.20 = \$ 66.35$ (rounded to two decimal places)
- ◆ $\$ 8.77 \times 1.20 = \$ 10.52$ (rounded to two decimal places)

- d. Divide the Base Monthly Indemnity by 100 to convert it into \$100 units.

- ◆ $\$ 5,000 / 100 = 50$

- e. Multiply the Smoker Rate calculated in "b" by the number of \$100 units of Base Monthly Indemnity calculated in "c" (and round to 2 decimal places) to get the Gross Premium for the Total Base Benefit

- ◆ Level Premium Rate: $(\$ 10.52 + \$ 66.35) \times 50 = \$ 3,843.50$ (rounded to two decimal places)

2. Gross Premium for Residual Disability

(One of the four Residual Disability Benefit Riders is required to be attached to the policy.

- a. From Premium Table **"Monthly Benefit for Residual Disability (with the appropriate Recovery Benefit)"** get the *Non-Smoker Premium Rate per \$100 Basic Monthly Indemnity* based on the following parameters:

- Level Premiums
- Limited MD/SA: No
- Max. Benefit Period: Graded Life Ext. 45/65
- Elimination Period: 90 days
- Reg. Occ. Period: Not applicable
- 24 Months Recovery Benefit
- Male
- Occupation Class 5A
- Issue Age 37

- ◆ Premium Rate per \$100 Basic Monthly Indemnity = \$ 7.25

- b. Multiply the Premium Rate per \$100 Basic Monthly Indemnity by the Tobacco Use Rating factor of 1.20 (shown at the bottom of the Premium Table) and round to two decimal places.

- ◆ $\$ 7.25 \times 1.20 = \$ 8.70$ (rounded to two decimal places)

- c. Divide the Base Monthly Indemnity by 100 to convert it into \$100 units.

- ◆ $\$ 5,000 / 100 = 50$

- d. Multiply the Smoker Rate calculated in "b" by the number of \$100 units of Base Monthly Indemnity calculated in "c" (and round to 2 decimal places) to get the Gross Premium for the Residual Disability Benefit (with 24 Month Recovery Benefit)

- ◆ $\$ 8.70 \times 50 = \$ 435.00$

2X. Partial Disability Benefit

The partial disability benefit is not available with the alternate definition of total Disability.

3. Gross Premium for Cost of Living Adjustment (COLA) Benefit

(At most one of the three Cost of Living Adjustment Benefit Riders may be attached to the policy.)

- a. From the premium table **"Cost of Living Adjustment Benefit"** get the Non-Smoker COLA Premium Rate per \$100 Basic Monthly Indemnity (this is the premium rate for the COLA benefit applicable to the Base Benefit) and if applicable, from the premium table **"Monthly Benefit for Residual Disability (with the appropriate Recovery Benefit) on Cost of Living Adjustment Benefit"** get the *Non-Smoker Residual Disability (with 24 Month Recovery Benefit) on COLA Benefit Premium Rate per \$100 Basic Monthly Indemnity* based on the following parameters:

- Level Premiums
- Limited MD/SA: No
- Max. Benefit Period: Graded Life Ext. 45/65
- Reg. Occ. Period: Standard – MBP
- Residual Disability Benefit with 24 Months Recovery
- COLA Benefit: 3% Simple
- Male
- Occupation Class 5A

➤ Issue Age 37

- ◆ Non-Smoker COLA (Base Benefit) Premium Rate per \$100 Basic Monthly Indemnity = \$ 18.91
 - ◆ Non-Smoker Cost of Living Adjustment Benefit YO Benefit = \$ 3.49
 - ◆ Non-Smoker Residual Disability (with 24 Month Recovery Benefit) on COLA Benefit Premium Rate per \$100 Basic Monthly Indemnity = \$ 2.34
- b. Multiply the Premium Rates from “a” by the Tobacco Use Rating factor of 1.20 (shown at the bottom of the Premium Table) and round to two decimal places.
- ◆ $\$ 18.91 \times 1.20 = \$ 22.69$ (rounded to two decimal places)
 - ◆ $\$ 3.49 \times 1.20 = \$ 4.19$ (rounded to two decimal places)
 - ◆ $\$ 2.34 \times 1.20 = \$ 2.81$ (rounded to two decimal places)
- c. Divide the Base Monthly Indemnity by 100 to convert it into \$100 units.
- ◆ $\$ 5,000 / 100 = 50$
- d. Multiply the sum of the Smoker Rates calculated in “b” by the number of \$100 units of Base Monthly Indemnity calculated in “c” (round to 2 decimal places) to get the Total Gross Premium for the COLA Benefit
- ◆ $(\$ 22.69 + \$ 4.19 + \$ 2.81) \times 50 = \$ 1,484.50$ (rounded to two decimal places)

X. Your Occupation (YO) Benefit

Policies issued with the Alternate Definition of Total Disability the YO premium component on the base benefit calculation is included with the base benefit calculation above and the COLA Component of Your Occupation benefit is included with the COLA benefit above.

X. Transitional Your Occupation (TYO) Benefit

(The TYO Benefit is not available with the alternate definition of total Disability.)

4. Limited MD/SA Benefit “Discount”

To calculate the Limited MD/SA Benefit “Discount” sum applicable benefits (steps 1 to 3) and multiply by the “discount” factor and round to two decimal places. The “discount” factor varies by the Base Maximum Benefit Period (MBP). For a MBP less than equal to 5 years, apply a 5% “discount”. For a MBP greater than 5 years apply a 10% “discount”.

1	Gross Premium for “Base Benefit”	\$ 3,843.50
2	Gross Premium for “Residual Disability”	\$ 435.00
3	Gross Premium for Cost of Living Adjustment (COLA) Benefit	\$ 1,484.50
	(a) Subtotal	\$ 5,763.00
	10% x (a) “Limited MD/SA Benefit “Discount”	\$ 576.30

5. Gross Premium for “Social Insurance Offset Benefit (SIO)”

The Social Insurance Substitute Benefit is available in New York and New Jersey. The Social Insurance Offset Benefit is available in all other states. (In the future, we may file the Social Insurance Offset Benefit in New York for use with our franchise policy forms.)

- a. From the premium tables **“Social Insurance Offset Benefit”** get the *Non-Smoker Premium Rate per \$100 Basic Monthly Indemnity*, and if applicable, from the premium tables **“Monthly Benefit for Residual Disability”**, **“Monthly Benefit for Residual Disability (with appropriate Recovery Benefit) on Cost of Living Adjustment Benefit”** and **“Cost of Living Adjustment Benefit on Social Insurance Offset Benefit”** get the *Non-Smoker Premium Rates per \$100 Basic Monthly Indemnity*, based on the following parameters:

- Level Premiums
- Limited MD/SA: No

- Max. Benefit Period: To Age 65
- Elimination Period: 90 days (used only for the SIO Basic Monthly Indemnity premium rate and Monthly Benefit for Residual Disability)
- Residual Disability with 24 Month Recovery
- Reg. Occ. Period: Standard – MBP
- YO Benefit - To Age 65
- 3% Simple COLA
- Sex: Male
- Occupation Class 5A
- Issue Age 37
- ◆ SIO Premium Rate per \$100 SIO Monthly Indemnity = \$ 19.24
- ◆ COLA on SIO Benefit = \$ 4.57
- ◆ Residual Disability Benefit with 24 Month Recovery = \$ 4.59
- ◆ Residual Disability Benefit with 24 Month Recovery on COLA Benefit = \$ 1.20
- ◆ YO Benefit – Capped to Age 65 = \$ 3.45
- ◆ COLA on YO Benefit – Capped to Age 65 = \$ 1.22
- b. Multiply the Premium Rates from “a” by the Tobacco Use Rating factor of 1.20 (shown at the bottom of the Premium Table) and round to two decimal places.
 - ◆ SIO - \$ 19.24 x 1.20 = \$ 23.09 (rounded to two decimal places)
 - ◆ COLA on SIO - \$ 4.57 x 1.20 = \$ 5.48 (rounded to two decimal places)
 - ◆ Residual Disability - \$ 4.59 x 1.20 = \$ 5.51 (rounded to two decimal places)
 - ◆ Residual Disability COLA - \$ 1.20 x 1.20 = \$ 1.44 (rounded to two decimal places)
 - ◆ YO Benefit – Capped to Age 65 - \$ 3.45 x 1.20 = \$ 4.14 (rounded to two decimal places)
 - ◆ COLA on YO Benefit – Capped to Age 65 - \$ 1.22 x 1.20 = \$ 1.46 (rounded to two decimal places)
- c. Divide the SIS Monthly Indemnity by 100 to convert it into \$100 units.
 - ◆ \$ 1,000 / 100 = 10
- d. Multiply the sum of the Smoker Rates calculated in “b” by the number of \$100 units of Base Monthly Indemnity calculated in “c” (round to 2 decimal places) to get the Gross Premium for the SIO Benefit
 - ◆ (\$ 23.09 + \$ 5.48 + \$ 5.51 + \$ 1.44 + \$ 4.14 + \$ 1.46) x 10 = \$ 411.20 (rounded to 2 decimal places)
- e. To calculate the Limited MD/SA Benefit “Discount”, multiply the Gross Premium for the SIO Benefit calculated in “d” by the “discount” factor and round to two decimal places. The “discount” factor varies by the Base Maximum Benefit Period (MBP). For a MBP less than equal to 5 years, apply a 5% “discount”. For a MBP greater than 5 years apply a 10% “discount”.
 - ◆ \$ 411.20 x 10% = \$ 41.12 (rounded to 2 decimal places)
- f. To calculate the Total Gross Premium for the SIO Benefit, subtract the Limited MD/SA Benefit “Discount” calculated in “e” from the Gross Premium for the SIO Benefit calculated in “d”.
 - ◆ \$ 411.20 - \$ 41.12 = \$ 370.08 (rounded to 2 decimal places)
- 6. **Gross Premium for Guaranteed Insurability Option Benefit (GIB)**
(Mutually Exclusive with Life Event Increase Benefit)
 - a. Multiply the Premium Rates by the Tobacco Use Rating factor of 1.20 (shown at the bottom of the Premium Table) and round to two decimal places.
 - ◆ The **Level** premium rate for Base Benefit = 42.60

- ◆ GIO on (each component below rounded to two decimal places):

Base	–	\$ 55.29	x	1.2	=	\$ 66.35
Residual	–	\$ 7.25	x	1.2	=	\$ 8.70
COLA	–	\$ 18.91	x	1.2	=	\$ 22.69
Residual/COLA	–	\$ 2.34	x	1.2	=	\$ 2.81
YO	–	\$ 8.77	x	1.2	=	\$ 10.52
YO/COLA	–	\$ 3.49	x	1.2	=	\$ 4.19
- b. Multiply by 25% each of the Nonsmoker Rates per \$100 of Monthly Indemnity for the “Base Benefit” (Level Premium) and the applicable optional benefits: “Residual Disability Benefit with 24 Month Recovery”, “Total COLA Benefit” and the “Total YO Benefit” (after adjustment for Graded Life Extension 45/65 MBP, if applicable) and round each component to two decimal places.
 - ◆ GIO on:

Base	–	25%	x	\$ 66.35	=	\$16.59
Residual	–	25%	x	\$ 8.70	=	\$ 2.18
COLA	–	25%	x	\$ 22.69	=	\$ 2.18
Residual/COLA	–	25%	x	\$ 2.81	=	\$ 0.70
YO	–	25%	x	\$ 10.52	=	\$ 2.63
YO/COLA	–	25%	x	\$ 4.19	=	\$ 1.05
- c. Divide the GIB Monthly Indemnity by 100 to convert it into \$100 units.
 - ◆ $\$500 / 100 = 5$
- d. Multiply the sum of the GIO Rates calculated in “b” by the number of \$100 units of Base Monthly Indemnity calculated in “c” (round to 2 decimal places) to get the Gross Premium for the GIB
 - ◆ $(\$16.59 + \$2.18 + \$2.18 + \$0.70 + \$2.63 + \$1.05) \times 5 = \$144.10$ (rounded to 2 decimal places)
- e. To calculate the Limited MD/SA Benefit “Discount”, multiply the Gross Premium for the GIB calculated in “d” by the “discount” factor and round to two decimal places. The “discount” factor varies by the Base Maximum Benefit Period (MBP). For a MBP less than equal to 5 years, apply a 5% “discount”. For a MBP greater than 5 years apply a 10% “discount”.
 - ◆ $\$144.10 \times 10\% = \14.41 (rounded to 2 decimal places)
- f. To calculate the Total Gross Premium for the GIB, subtract the Limited MD/SA Benefit “Discount” calculated in “e” from the Gross Premium for the GIB calculated in “d”.
 - ◆ $\$144.10 - 14.41 = \129.69 (rounded to 2 decimal places)

6A. Life Event Increase Benefit

(Mutually Exclusive Alternative to Guaranteed Insurability Option Benefit)

The calculation of the Life Event Increase Benefit premium is the same as Guaranteed Insurability Option Benefit above except the factor of 7.5% is used in place of 25%.

7. Gross Premium for Catastrophic Disability Benefit

This benefit is not available in Connecticut. The amount of this benefit is restricted in New Jersey; please see the “Availability of Selected Policy Features” Section of this filing.

- a. From the premium tables for **Catastrophic Disability Benefit** (with the applicable duration) whichever is applicable get the Non-Smoker Premium Rate per \$100 Basic Monthly Indemnity and if applicable, from the premium tables **“Cost of Living Adjustment Benefit on Catastrophic Disability Benefit”** get the *Non-Smoker Premium Rate per \$100 Basic Monthly Indemnity* based on the following parameters:

- Level Premiums
- Limited MD/SA: N/A.
- Reg. Occ. Period: Standard – N/A

- 3% Simple COLA
- Male
- Occupation Class 5A
- Issue Age 37
- ◆ Non-Smoker Premium Rate per \$100 Basic Monthly Indemnity = \$ 1.71
- ◆ Non-Smoker Cost of Living Adjustment Benefit = \$ 0.50
- b. Multiply the Premium Rates from “a” by the Tobacco Use Rating factor of 1.10 (shown at the bottom of the Premium Table) and round to two decimal places.
 - ◆ Basic Cat. Dis. - \$ 1.71 x 1.10 = \$ 1.97 (rounded to two decimal places)
 - ◆ COLA on Cat. Dis. - \$ 0.50 x 1.10 = \$ 0.57 (rounded to two decimal places)
- c. Divide the Base Monthly Indemnity by 100 to convert it into \$100 units.
 - ◆ \$ 2,000 / 100 = 20
- d. Multiply the sum of the Smoker Rates calculated in “b” by the number of \$100 units of Base Monthly Indemnity calculated in “c” (round to 2 decimal places) to get the Total Gross Premium for the Catastrophic Benefit.
 - ◆ (\$ 1.97 + \$ 0.57) x 20 = \$ 50.80 (rounded to 2 decimal places)

8. Subtotal – 1

Sum the Gross Premiums for the “Total Base Benefit”, “Residual Disability Benefit with 24 Month Recovery”, “Total COLA Benefit”, “Limited MD/SA Benefits discount”, “Total SIO Benefit”, the “Total GIB” and the “Catastrophic Disability Benefit”

- ◆ Level Premium: 3,843.50 + \$ 435.00 + \$ 1,484.50 - \$ 576.30 + \$ 370.08 + \$ 129.69 + \$ 50.80 = \$ 5,737.27

9. Premiums for Benefits Added After Issue.

The premiums for these policy changes are calculated as described above. The premium shown for the first four items below would be the sum of Step 1 through 5, if applicable.

- a. Exercises of the Automatic Increase Benefit.
- b. Exercises of the Guaranteed Insurability Option (or the Life Event Increase Benefits
- c. Increases to the Monthly Indemnity Benefit added with Underwriting.
- d. Any Other Increase to Monthly Indemnity Benefit.
- e. Optional Benefits Added After Issue.

10. Premium for the “Substandard Rating”

Multiply the sum of *Subtotal – 1* and the total of Premiums for Benefits Added After Issue by the Substandard Rating factor (from Client Facts) and round to two decimal places.

- ◆ Level Premium: \$ 5,737.27 x 20% = \$ 1,147.45 (rounded to two decimal position)

11. Subtotal – 2

Sum *Subtotal – 1*, the total of Premiums for Benefits Added After Issue and the Gross Premium for the “Substandard Rating”

- ◆ Level Premium: \$ 5,737.27 + \$ 0.00 - \$ 1,147.45 = \$ 6,884.72

12. Policy Fee

Policy Fee is \$ 60.00 per annum. If it is necessary to divide coverage for an individual between two policies, we will waive the second policy fee.

13. Subtotal – 3

Sum *Subtotal – 2*, and the Policy Fee

- ◆ Level Premium: \$ 6,884.72 + \$ 60.00 = \$ 6,944.72

14. Refund of Premium

This benefit is not available in Connecticut, Florida, New Jersey, New York, Oregon, Pennsylvania and Tennessee.

- ◆ Level Premium: $\$ 6,944.72 * 70.0\% = \$ 4,798.59$ (rounded to two decimal places)

15. Subtotal – 4

- ◆ Level Premium: $\$ 6,944.72 + \$ 4,861.30 = \$ 11,806.02$

16. Employer Multi-life / Association Case Discount / Multi-policy Discount

The discounts for employer and association sponsorship are mutually exclusive.

The multi-policy discount (5%) is only available to individually sold disability applicants who are currently applying for within the last twelve months or have purchased a MetLife individual life insurance policy. The discounts for employer and association sponsorship may be combined with the Multi-policy discount. The combined discount used in the formula below is:

$$\text{EmployerAssocDisc} + \text{MultiPolicyDisc}$$

From the Client Facts look up the Multi-life Case Discount for which the policy is eligible. Multiply Subtotal – 4 by the Multi-life Case Discount (since this is a discount, a negative amount should be used in the calculation) and round to two decimal places to get the Multi-life Case Discount Amount.

- ◆ Level Premium: $\$ 11,806.02 \times -0.00\% = - \$ 0.00$ (rounded to two decimal places)

In New Jersey only, the reduction in the premium resulting from these calculations will be allocated proportionately to the lines above.

17. Spousal Catastrophic Disability Benefit

This benefit will only be issued on a standard rated basis. This benefit is not available in Connecticut and New Jersey.

- ◆ **Spousal Catastrophic Disability Benefit Nonsmoker Premium Rate per \$100 Monthly Indemnity= \$ 1.12 (same as the occupational class 1A premium rates for the Catastrophic Disability benefit)**
- ◆ Spousal Catastrophic Disability Benefit Smoker Premium Rate per \$100 Monthly Indemnity $\$ 1.12 * 1.10 = \$ 1.23$ (Note: Use the Occupational Class 1A Factor)
- ◆ Substandard Rating $\$ 1.23 * 40\% = \$ 0.49$
- ◆ Premium for the Refund of Premium Benefit on the Spousal Catastrophic Disability Benefit, if applicable $(\$ 1.23 + \$ 0.49) * 70.0\% = \$ 1.20$, rounded to cents.
- ◆ Spousal Catastrophic Disability Benefit Monthly Indemnity - $\$1600 / \$100 = 16$
- ◆ Premium for Spousal Catastrophic Disability Benefit – $(\$ 1.23 + \$ 0.49 + \$ 1.20) \times 16 = \$ 46.72$, rounded to two decimal places.

18. Annual Premium

Sum *Subtotal – 4* and the Multi-life Case Discount Amount to get the Annual Premium for the policy

- ◆ Level Premium: $\$ 11,806.02 + - \$ 0.00 + \$ 46.72 = \$ 11,852.74$

19. Modal Premiums

a. Modal Premium Factors:	Regular Billed	List-billed
Annual	1.0000	0.9500
Semi-annual	0.5100	0.4845
Quarterly	0.2800	0.2660
	(0.2650 in FL)	(0.2650 in FL)
Pre-authorized Check	0.0863	N/A
Monthly Billed	0.0932	N/A
	(0.0900 in FL)	

	Employer or Assoc. Multi-life Discounts	No Employer or Assoc. Multi-life Discounts
Monthly list-billed	0.0863	0.0820
Semi-monthly list-billed	0.0432	0.0410
Quad weekly list-billed	0.0800	0.0760
Biweekly list-billed	0.0400	0.0380

b. Semi-annual

Multiply the Annual Premium by the Semi-Annual Modal Factor, rounding to two decimal places to get the Semi-Annual Premium Amount.

◆ Level Premium: \$ 11,852.74 x 0.5100 = \$ 6,044.90 (rounded to two decimal places)

c. Monthly Pre-authorized Check

Multiply the Annual Premium by the Pre-authorized Check Modal Factor, rounding to two decimal places to get the Semi-Annual Premium Amount.

◆ Level Premium: \$ 11,852.74 x 0.0863 = \$ 1,022.89 (rounded to two decimal places)

20. Automatic Increase Benefit

Five percent of the Base Monthly Indemnity (5% * \$5,000 = \$250).

- a. For the next five policy anniversaries, lookup the premium rates for the base benefit, residual benefit, COLA benefit (and residual benefit thereon), and the appropriate your occupation benefit (and COLA thereon)

Policy Anniversary	1	2	3	4	5
Attained Age	38	39	40	41	42
Base Benefit	58.84	62.47	66.17	69.89	73.61
Residual Benefit	7.70	8.17	8.64	9.12	9.60
COLA Benefit	19.71	20.47	21.19	21.83	22.39
Res. On COLA	2.43	2.52	2.61	2.68	2.74
YO	9.32	9.87	10.42	10.97	11.51
YO - COLA	3.64	3.77	3.89	4.00	4.09

- b. Apply the smoker factor (multiply the premium rates above by 1.20), if applicable.
 Total the premium rates.

Policy Anniversary	1	2	3	4	5
Attained Age	38	39	40	41	42
Base Benefit	70.61	74.96	79.40	83.87	88.33
Residual Benefit	9.24	9.80	10.37	10.94	11.52
COLA Benefit	23.65	24.56	25.43	26.20	26.87
Res. On COLA	2.92	3.02	3.13	3.22	3.29
YO	11.18	11.84	12.50	13.16	13.81
YO - COLA	4.37	4.52	4.67	4.80	4.91
Total	121.97	128.70	135.50	142.19	148.73

- c. Multiply the premium rates above by the AIB monthly indemnity in hundreds(\$250 / 100 = 2.50) and round the product to two decimal places.

Policy Anniversary	1	2	3	4	5
Attained Age	38	39	40	41	42
Total	121.97	128.70	135.50	142.19	148.73
AIB Monthly Indemnity	2.50	2.50	2.50	2.50	2.50
Annual AIB Premiums before Adjustments and Discounts	304.93	321.75	338.75	355.48	371.83

- d. Calculate Substandard Ratings, Financial Disclosure Adjustments, Good Health Benefit and Multi-life Discounts components to the premium.

Policy Anniversary	1	2	3	4	5
Attained Age	38	39	40	41	42
Annual AIB Premiums before Adjustments and Discounts*	304.93	321.75	338.75	355.48	371.83
Substandard Rating (20%)	60.99	64.35	67.75	71.10	74.37
Subtotal 1	365.92	386.10	406.50	426.58	446.20
Good Health Benefit (Factor 70%)	256.14	270.27	284.55	298.61	312.34
Subtotal 2	622.06	656.37	691.05	725.19	758.54
Employer ML / Assoc. Discount (0%)	0.00	0.00	0.00	0.00	0.00
Annual AIB Premiums	622.06	656.37	691.05	725.19	758.54
* The premiums from this line carry into Line 10a of the main premium calculation.					

- e. Modal Premiums

Policy Anniversary	1	2	3	4	5
Attained Age	38	39	40	41	42
Annual AIB Premiums	622.06	656.37	691.05	725.19	758.54
Semi-annual (0.5100)	317.25	334.75	352.44	369.85	386.86
Pre-authorized check (0.0863)	53.68	56.64	59.64	62.58	65.46

Premium Calculation Summary Policy Form: IDIP12-01 with Alternate Definition of Total Disability									
Rating Variables		Non-smoker Rate Per \$100 of MI (after Adjust- ment for Graded Life 45/65		Factor for Tobacco Use		Smoker Rate per \$100 of MI	Monthly Benefit in \$100 Units		Gross Premium
(1) Base Benefit									
Base Level Premium Rate		55.29	x	1.2	=	66.35			
Your Occupation Premium Rate		8.77	x	1.2	=	10.52			
Total Base Benefit – Level		64.06	x	1.2	=	76.87	x	50	= \$ 3,843.50
(2) Residual Benefit with 24 Month Recovery		7.25	x	1.2	=	8.70	x	50	= \$ 435.00
(3) Cost of Living Adjustment (COLA)									
COLA – Base Benefit		18.91	x	1.2	=	22.69			
COLA – Your Occupation		3.49	x	1.2	=	4.19			
COLA – Residual Benefit with 24 Month Recovery		2.34	x	1.2	=	2.81			
Total Cost of Living Adjustment (COLA)		24.74				29.69	x	50	= \$ 1,484.50
(4) Limited MD/SA Benefits "discount"									
					(a) Subtotal				= \$ 5,763.00
					(b) "Discount" = 10% x (a)				= \$ 576.30
					Subtotal [(a) - (b)]				= \$ 5,186.70
Note: MBP less than equal to 5 years = 5% "discount"									
MBP greater than 5 years = 10% "discount"									
(5) Social Insurance Offset (SIO)									
SIO – Basic		19.24	x	1.20	=	23.09			
Residual Benefit with 24 Month Recovery		4.59	x	1.20	=	5.51			
COLA		4.57	x	1.20	=	5.48			
Residual Benefit with 24 Month Recovery - COLA		1.2	x	1.2	=	1.44			
Your Occ (Capped to Age 65)		3.45	x	1.2	=	4.14			
Your Occ - COLA (Capped to Age 65)		1.22	x	1.2	=	1.46			
(a) Social Insurance Offset (SIO)						41.12	x	10.00	= \$ 411.20
(b) Limited MD/SA Benefits "discount"					"Discount" = 10% x (a)				= \$ 41.12
Total Social Insurance Offset (SIO)					Subtotal [(a) - (b)]				= \$ 370.08

6/27/13

Premium Calculation Summary (Continued)				
(14)	Refund of Premium (70% of Subtotal 3)			\$ 4,861.30
(15)	Subtotal – 4			\$ 11,806.02
(16)	Employer Multi-life / Association Case Discount			- \$ 0.00
(17)	Spousal Catastrophic Disability Benefit			
	Premium Rate for Catastrophic Disability Benefit Occupational Class 1A; Nonsmoker	1.12		
	Smoker Factor – Class 1A	1.1		
	Smoker Premium Rate	1.23		
	Substandard Rating (40%), if applicable	0.49		
	Refund of Premium Benefit (70%) of the sum of the previous two lines	1.2		
	Sum of the above three lines times number of units	2.92	x 16	\$ 46.72
(18)	Annual Premium			\$ 11,852.74
(19)	Modal Premium			
	Semi-Annual (51% of Annual Premium)			\$ 6,044.90
	Monthly Pre-authorized Check (8.63% of Annual Premium)			\$ 1,022.89
(20)	Automatic Increase Benefit			
	See main body of this document.			

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**Policy Form IDIP12-01 with Standard Definition of Total Disability
Premium Calculation Methodology**

(With annotations for the Alternate Definition of Total Disability)

The premium calculation methodology is outlined below. The premium rates shown in the Premium Tables are for *Non-Smoker* risks only. For the smoking hazard, the premium rates are generally multiplied by the applicable *Tobacco Use* rating factor. To make it simpler to follow, an example is used to demonstrate the development of Gross Premium. Obviously, if an optional benefit is not selected, the premium for it will be zero.

This example shows all benefits that are available nationally. Some of these optional riders are not available in individual states. These state variations in availability are documented herein. We will not issue an optional rider in any state that has not approved it.

- A. Determine the "Client Facts" as shown in the table below. This information pertains to the prospective client.

Gender	Male	Substandard Rating	20%
Issue Age (ALB)	37	Occupation Class	5A
Tobacco Use	Yes	Employee Group Size	N/A
Occupation	Systems Analyst	Participation Percentage	N/A
Multi-policy Discount (5%)	Yes		
Spouse Issue Age (last birthday)	35	Spouse Tobacco Use	Yes
Spouse Substandard Rating	40%		

- B. Determine the required "Plan Design Facts" as shown below. This information describes the requested plan design.

Limited MD/SA Benefits	Yes
Premium Pattern	Level
Base Monthly Indemnity	\$ 5,000
Base Elimination Period	90 Days
Base Maximum Benefit Period	To Age 67
Residual Benefit	24 Month Recovery
COLA	3% Simple
Social Insurance Offset Monthly Indemnity	\$ 1,000
Social Insurance Offset Maximum Benefit Period	To Age 67
Social Insurance Offset Elimination Period	90 Days
Your Occupation Benefit (YO) OR Transitional Your Occupation Benefit (TYO)	Your Occupation Benefit
Guaranteed Insurability Option Benefit Indemnity	\$ 500
Catastrophic Disability Benefit	\$ 2,000
Automatic Increase Benefit	Yes
Spousal Catastrophic Disability Benefit MI	\$1,600
Spousal Catastrophic Disability Benefit EP	90 Days
Spousal Catastrophic Disability Benefit MBP	5 Years
Refund of Premium Benefit	Yes
Policy Fee	\$ 60

C. Total Gross Premium for the requested Plan Design by the prospective client.

- ◆ Premium rates for smokers are generally the published non-smoker premium rates multiplied by a factor that varies by occupational class.
- ◆ For most benefits, the factors are: 1.20 for occupational classes 4A to 6S; 1.15 for occupational classes 2A and 3A; and 1.10 for occupational classes 1A and 1B.
- ◆ Exceptions to these factors above are:
 - the Catastrophic Disability Benefit, for which the factors are: 1.15 for occupational classes 2A to 6S, and 1.10 for occupational classes 1A and 1B; and
 - The Good Health benefit premium is based on the other premiums on the policy, and so the differentiation by smoking status comes from the calculation of its premium.

D. The premium for the benefit will be calculated three ways.

1. Level Premium basis.
2. Term Premium basis
3. Split Premium basis.
 - Level Premium:
Base Monthly Indemnity Benefit: \$ 2,000 and
Social Insurance Offset Monthly Indemnity: \$ 1,000,
 - Term Premium:
Base Monthly Indemnity Benefit: \$ 3,000 and
Social Insurance Offset Monthly Indemnity: None,

E. Term Basis Premiums.

- ◆ We offer non-level term premiums at issue ages up to 50 to which we refer as “term premiums”. The basic term premium is renewable annually. The annual renewable term premiums don’t change after age 55. .

In lieu of creating millions more rate cells we have developed term premium factors that when multiplied by the level premium rate produces the cell's term premium rate. Variables for the rate factors are:

- The Term Period: annual, five years; ten years; fifteen years, and twenty years;
 - Renewal Provision of the Policy: Non-cancelable or Guaranteed Renewable;
 - Occupational Class;
 - Sex: Female, Male, Unisex Association-sponsored Case and Unisex Employer-sponsored Case;
 - Issue Age;
 - Attained Age;
 - The type of COLA benefit on the policy, if any; and
 - The Maximum Benefit Period of the policy.
- ◆ Term Premiums are available on:
 - Base Monthly Indemnity benefit;
 - all optional Residual Disability benefits;
 - 3% Simple COLA and CPI COLA 2008 benefits;
 - Transitional Your Occupation benefit;
 - Your Occupation benefit;
 - Social Insurance Offset Monthly Indemnity including Residual Disability benefits, COLA benefits above, TYO benefit and Your Occupation benefit thereon.

- ◆ The following benefits will be issued with Level Premiums on policies having Term Premiums:
 - Guaranteed Insurability Option benefit (however, additions to the policy Monthly Indemnity benefit result from exercise of the GIO benefit may have term premiums);
 - Catastrophic Disability benefit;
 - Spousal Catastrophic Disability benefit; and
 - Additions to the policy Monthly Indemnity benefit result from exercise of the Automatic Increase benefit;
- ◆ Term Premiums are not available on policies having the following features:
 - The Graded Life 45/65 MBP;
 - The Original CPI COLA benefit; and
 - Issued on Premium Scales prior to the 2009 Premium Scale.
- ◆ Potential Term Factors for this example are:

Term Factors for: Male; Issue Age 37; Occupational Class 5A; Non-cancelable Policy with To Age 67 MBP; and 3% Simple COLA Benefit					
Initial Level Term Period	Initial Level Term Factor	Attained Age	ART Factor	Attained Age	ART Factor
5 Years	65.292%	37	56.753%	47	120.984%
10 Years	75.557%	38	61.282%	48	130.827%
15 Years	85.485%	39	66.109%	49	141.268%
20 Years	Not Avail.	40	71.276%	50	152.239%
		41	76.799%	51	162.339%
		42	82.704%	52	172.496%
		43	88.999%	53	183.805%
		44	95.737%	54	194.668%
		45	102.924%	55 to 66	204.632%
		46	111.635%		

For the All Term Premium, "D.2" above, we will use the five year initial term, and for the Split Premium basis, "D.3" above, We will use the policy in the eleventh year, i.e., attained age 47. The two factors are bold-faced.

1. Gross Premium for Base Benefit

- a. From the premium table **Basic Monthly Indemnity Benefit** get the *Non-Smoker Premium Rate per \$100 Basic Monthly Indemnity* based on the following parameters:
 - Limited MD/SA: No
 - Max. Benefit Period: To Age 67
 - Elimination Period: 90 days
 - Reg. Occ. Period: Standard – MBP
 - Male
 - Occupation Class 5A
 - Issue Age 37
 - ◆ Level Premium Rate per \$100 Basic Monthly Indemnity = \$ 31.12

(Note: Policies issued with the Alternate Definition of Total Disability the Base Benefit calculation below will include the Your Occupation base benefit component.
- b. Multiply the Premium Rate per \$100 Basic Monthly Indemnity by the Tobacco Use Rating factor of 1.20 (shown at the bottom of the each Premium Table page) and round to two decimal places.
 - ◆ Level – \$ 31.12 x 1.20 = \$ 37.34 (rounded to two decimal places)
- c. Divide the Base Monthly Indemnity by 100 to convert it into \$100 units.
 - ◆ Level and Term – \$ 5,000 / 100 = 50

- ◆ Split/Level – $\$ 2,000 / 100 = 20$
- ◆ Split/Term – $\$ 3,000 / 100 = 30$
- d. Multiply the Smoker Rate calculated in “b” by the number of \$100 units of Base Monthly Indemnity calculated in “c” (and round to 2 decimal places) to get the Level Gross Premium for the Base Benefit
 - ◆ Level, Term – $\$ 37.34 \times 50 = \$ 1,867.00$ (rounded to two decimal places)
 - ◆ Split/Level – $\$ 37.34 \times 20 = \$ 746.80$
 - ◆ Split/Term – $\$ 37.34 \times 30 = \$ 1,120.20$
- e. Calculate Term Premiums by Multiplying the Level Gross Premium for the Base Benefit in “d” by the Term Factors (and round to 2 decimal places).
 - ◆ Term – $\$ 1,867.00 \times 65.292\% = \$ 1,219.00$ (rounded to two decimal places)
 - ◆ Split/Term – $\$ 1,120.20 \times 120.984\% = \$ 1,355.26$ (rounded to two decimal places)
- f. Premiums for Base Monthly Indemnity Benefits.
 - ◆ Level – $\$ 1,867.00$
 - ◆ Term – $\$ 1,219.00$
 - ◆ Split/Level – $\$ 746.80$
 - ◆ Split/Term – $\$ 1,355.26$

2. Gross Premium for Residual Disability

- a. From Premium Table **Monthly Benefit for Residual Disability (with the appropriate Recovery Benefit)** get the *Non-Smoker Premium Rate per \$100 Basic Monthly Indemnity* based on the following parameters:
 - Level Premiums
 - Limited MD/SA: No
 - Max. Benefit Period: To Age 67
 - Elimination Period: 90 days
 - Reg. Occ. Period: Not Applicable
 - 24 Months Recovery Benefit
 - Male
 - Occupation Class 5A
 - Issue Age 37
 - ◆ All – Premium Rate per \$100 Basic Monthly Indemnity = $\$ 4.98$
- b. Multiply the Premium Rate per \$100 Basic Monthly Indemnity by the Tobacco Use Rating factor of 1.20 (shown at the bottom of the Premium Table) and round to two decimal places.
 - ◆ All – $\$ 4.98 \times 1.20 = \$ 5.98$ (rounded to two decimal places)
- c. Divide the Base Monthly Indemnity by 100 to convert it into \$100 units.
 - ◆ Level, Step and Term – $\$ 5,000 / 100 = 50$
 - ◆ Split/Level – $\$ 2,000 / 100 = 20$
 - ◆ Split/Term – $\$ 3,000 / 100 = 30$
- d. Multiply the Smoker Rate calculated in “b” by the number of \$100 units of Base Monthly Indemnity calculated in “c” (and round to 2 decimal places) to get the Gross Premium for the Residual Disability Benefit (with 24 Month Recovery Benefit)
 - ◆ Level and Term – $\$ 5.98 \times 50 = \$ 299.00$ (rounded to two decimal places)
 - ◆ Split/Level – $\$ 5.98 \times 20 = \$ 119.60$ (rounded to two decimal places)
 - ◆ Split/Term – $\$ 5.98 \times 30 = \$ 179.40$ (rounded to two decimal places)
- e. Calculate Term Premiums by Multiplying the Level Gross Premium for the Base Benefit in “d” by the Term Factors (and round to 2 decimal places).
 - ◆ Term – $\$ 299.00 \times 65.292\% = \$ 334.93$ (rounded to two decimal places)

- ◆ Split/Term – \$ 179.40 x 124.984% = \$ 217.05 (rounded to two decimal places)
- f. Premiums for Residual Disability Benefits.
 - ◆ Level – \$ 299.00
 - ◆ Term – \$ 195.22
 - ◆ Split/Level – \$ 119.60
 - ◆ Split/Term – \$ 217.05

2A. Partial Disability Benefit

The Partial Disability Benefit is mutually exclusive with the Residual Disability Benefit. If this benefit is assumed, it will carry through forward in the calculations that follow in lieu of the Residual Disability Benefit. Also, unlike the Residual Disability Benefit, the Partial Disability Benefit will not impact the COLA benefit.

On policies issued with the Alternate Definition of Total Disability the Partial Disability benefit is not available.

3. Gross Premium for Cost of Living Adjustment (COLA) Benefit

- a. From the premium table **Cost of Living Adjustment Benefit** get the Non-Smoker COLA Premium Rate per \$100 Basic Monthly Indemnity (this is the premium rate for the COLA benefit applicable to the Base Benefit) and if applicable, from the premium table **Monthly Benefit for Residual Disability (with the appropriate Recovery Benefit) on Cost of Living Adjustment Benefit** get the *Non-Smoker Residual Disability (with 24 Month Recovery Benefit) on COLA Benefit Premium Rate per \$100 Basic Monthly Indemnity* based on the following parameters:

- Level Premiums
- Limited MD/SA: No
- Max. Benefit Period: To Age 67
- Reg. Occ. Period: Standard – MBP
- Residual Disability Benefit with 24 Months Recovery
- COLA Benefit: 3% Simple
- Male
- Occupation Class 5A
- Issue Age 37

- ◆ All – Non-Smoker COLA (Base Benefit) Premium Rate per \$100 Basic Monthly Indemnity = \$ 8.65
- ◆ All – Non-Smoker Residual Disability (with 24 Month Recovery Benefit) on COLA Benefit Premium Rate per \$100 Basic Monthly Indemnity = \$ 1.38

(Note: Policies issued with the Alternate Definition of Total Disability the COLA Benefit calculation below will also include the COLA Component of Your Occupation benefit.

- b. Multiply the Premium Rates from “b” by the Tobacco Use Rating factor of 1.20 (shown at the bottom of the Premium Table) and round to two decimal places.
 - ◆ All – \$ 8.65 x 1.20 = \$ 10.38 (rounded to two decimal places)
 - ◆ All – \$ 1.38 x 1.20 = \$ 1.66 (rounded to two decimal places)
- c. Divide the Base Monthly Indemnity by 100 to convert it into \$100 units.
 - ◆ Level and Term – \$ 5,000 / 100 = 50
 - ◆ Split/Level – \$ 2,000 / 100 = 20
 - ◆ Split/Term – \$ 3,000 / 100 = 30
- d. Multiply the sum of the Smoker Rates calculated in “b” by the number of \$100 units of Base Monthly Indemnity calculated in “c” (round to 2 decimal places) to get the Total Gross Premium for the COLA Benefit
 - ◆ Level and Term – (\$ 10.38 + \$ 1.66) x 50 = \$ 602.00 (rounded to two decimal places)
 - ◆ Split/Level – (\$ 10.38 + \$ 1.66) x 20 = \$ 240.80 (rounded to two decimal places)

- ◆ Split/Term – $(\$ 10.38 + \$ 1.66) \times 30 = \$ 361.20$ (rounded to two decimal places)
- e. Calculate Term Premiums by Multiplying the Level Gross Premium for the Base Benefit in “d” by the Term Factors (and round to 2 decimal places).
 - ◆ Term – $\$ 602.00 \times 65.292\% = \$ 393.06$ (rounded to two decimal places)
 - ◆ Split/Term – $\$ 361.20 \times 120.984\% = \$ 436.99$ (rounded to two decimal places)
- f. Premiums for Cost of Living Adjustment Benefit.
 - ◆ Level – $\$ 602.00$
 - ◆ Term – $\$ 393.06$
 - ◆ Split/Level – $\$ 240.80$
 - ◆ Split/Term – $\$ 436.99$

4. Gross Premium for Your Occupation Benefit (YO)

(Note: Policies issued with the Alternate Definition of Total Disability the YO premium component on the base benefit calculation is included with the base benefit calculation above and the COLA Component of Your Occupation benefit is included with the COLA benefit above.)

- a. From the premium tables for **Your Occupation Benefit** (including the premium rate cells for Occupational Classes 5I and 4M), get the Non-Smoker Premium Rate per \$100 Basic Monthly Indemnity and if applicable, from the premium tables **Cost of Living Adjustment Benefit on Your Occupation Benefit** or **Cost of Living Adjustment Benefit on Your Occupation Benefit** get the *Non-Smoker Premium Rate per \$100 Basic Monthly Indemnity* based on the following parameters:
 - Level Premiums
 - Limited MD/SA: No
 - Max. Benefit Period: To Age 67
 - Reg. Occ. Period: Not Applicable
 - 3% Simple COLA
 - Male
 - Occupation Class 5A
 - Issue Age 37
 - ◆ All – Non-Smoker YO Benefit Premium Rate per \$100 Basic Monthly Indemnity = $\$ 3.94$
 - ◆ All – Non-Smoker Cost of Living Adjustment Benefit TYO Benefit = $\$ 1.44$
- b. Multiply the Premium Rates from “b” by the Tobacco Use Rating factor of 1.20 (shown at the bottom of the Premium Table) and round to two decimal places.
 - ◆ All – $\$ 3.94 \times 1.20 = \$ 4.73$ (rounded to two decimal places)
 - ◆ All – $\$ 1.44 \times 1.20 = \$ 1.73$ (rounded to two decimal places)
- c. Divide the Base Monthly Indemnity by 100 to convert it into \$100 units.
 - ◆ Level and Term – $\$ 5,000 / 100 = 50$
 - ◆ Split/Level – $\$ 2,000 / 100 = 20$
 - ◆ Split/Term – $\$ 3,000 / 100 = 30$
- d. Multiply the sum of the Smoker Rates calculated in “b” by the number of \$100 units of Base Monthly Indemnity calculated in “c” (round to 2 decimal places) to get the Total Gross Premium for the TYO Benefit.
 - ◆ Level and Term – $(\$ 4.73 + \$ 1.73) \times 50 = \$ 323.00$ (rounded to two decimal places)
 - ◆ Split/Level – $(\$ 4.73 + \$ 1.73) \times 20 = \$ 84.36$ (rounded to two decimal places)
 - ◆ Split/Term – $(\$ 4.73 + \$ 1.73) \times 30 = \$ 193.80$ (rounded to two decimal places)
- e. Calculate Term Premiums by Multiplying the Level Gross Premium for the Base Benefit in “d” by the Term Factors (and round to 2 decimal places).
 - ◆ Term – $\$ 323.00 \times 65.292\% = \$ 210.89$ (rounded to two decimal places)

- ◆ Split/Term – \$ 193.80 x 120.984% = \$ 234.47 (rounded to two decimal places)
- f. Premiums for Transitional Your Occupation Benefit 2012.
 - ◆ Level \$ 323.00
 - ◆ Term – \$ 210.89
 - ◆ Split/Level – \$ 129.20
 - ◆ Split/Term – \$ 234.47

4A. Transitional Your Occupation Benefit (TYO)

Notes:

- The Transitional Your Occupation Benefits is the Mutually Exclusive Alternative to the Your Occupation Benefit.
- Not available on policies issued with the Alternate Definition of Total Disability .
- The Transitional Your Occupation Benefits are not approved in New Jersey.

The premium for the Transitional Your Occupation Benefit is calculated similarly to the Your Occupation Benefit above except its Maximum Benefit Period is only limited by (but not determined by) the policy Maximum Benefit Period. We don't allow the MBP for the TYO benefit to exceed the policy MBP. In the case of the example, the applicant could choose either the 5 Year MBP, To Age 65 MBP or the To Age 67 MBP.

5. Limited MD/SA Benefit "Discount"

To calculate the Limited MD/SA Benefit "Discount" sum applicable benefits (steps 1 to 4) and multiply by the "discount" factor and round to two decimal places. The "discount" factor varies by the Base Maximum Benefit Period (MBP). For a MBP less than equal to 5 years, apply a 5% "discount". For a MBP greater than 5 years apply a 10% "discount".

		Level	Term	Split/Level	Split/Term
1	Gross Premium for "Base Benefit"	1,867.00	1,219.00	746.80	1,355.26
2	Gross Premium for "Residual Disability"	299.00	195.22	119.60	217.05
3	Gross Premium for COLA Benefit	602.00	393.06	240.80	436.99
4	Gross Premium for Your Occupation Benefit	323.00	210.89	129.20	234.47
	(a) Subtotal	3,091.00	2,018.17	1,236.40	2,243.77
	10% x (a) "Limited MD/SA "Discount"	309.10	201.82	123.64	224.38

Limited MD/SA Benefit "Discounts":

- ◆ Level \$ 309.10
- ◆ Term – \$ 201.82
- ◆ Split/Level – \$ 123.64
- ◆ Split/Term – \$ 224.38

6. Gross Premium for Social Insurance Offset Benefit (SIO)

The Social Insurance Substitute Benefit is available in New York and New Jersey. The Social Insurance Substitute Offset is also available in New York on employer-sponsored plans only. In all other states only the Social Insurance Offset Benefit is available.

- a. From the premium tables **Social Insurance Offset Benefit** get the *Non-Smoker Premium Rate per \$100 Basic Monthly Indemnity*, and if applicable, from the premium tables **Monthly Benefit for Residual Disability**, **Monthly Benefit for Residual Disability (with appropriate Recovery Benefit)** on **Cost of Living Adjustment Benefit** and **Cost of Living Adjustment Benefit on Social Insurance Offset Benefit** get the *Non-Smoker Premium Rates per \$100 Basic Monthly Indemnity*, based on the following parameters:

- Level Premiums
- Limited MD/SA: No
- Max. Benefit Period: To Age 67

- Elimination Period: 90 days (used only for the SIO Basic Monthly Indemnity premium rate and Monthly Benefit for Residual Disability)
- Residual Disability with 24 Month Recovery
- Reg. Occ. Period: Standard – MBP
- YO Benefit - To Age 67
- 3% Simple COLA
- Sex: Male
- Occupation Class 5A
- Issue Age 37
- ◆ All – SIO Premium Rate per \$100 SIO Monthly Indemnity = \$ 20.70
- ◆ All – COLA on SIO Benefit = \$ 5.26
- ◆ All – Residual Disability Benefit with 24 Month Recovery = \$ 4.59
- ◆ All – Residual Disability Benefit with 24 Month Recovery on COLA Benefit = \$ 1.38
- ◆ All – YO Benefit = \$ 3.94
- ◆ All – COLA on YO Benefit = \$ 1.44
- b. Multiply the Premium Rates from “a” by the Tobacco Use Rating factor of 1.20 (shown at the bottom of the Premium Table) and round to two decimal places.
 - ◆ All – SIO - \$ 20.70 x 1.20 = \$ 24.84 (rounded to two decimal places)
 - ◆ All – COLA on SIO - \$ 5.26 x 1.20 = \$ 6.31 (rounded to two decimal places)
 - ◆ All – Residual Disability - \$ 4.59 x 1.20 = \$ 5.51 (rounded to two decimal places)
 - ◆ All – Residual Disability COLA - \$ 1.38 x 1.20 = \$ 1.66 (rounded to two decimal places)
 - ◆ All – TYO Benefit - \$ 3.94 x 1.20 = \$ 4.73 (rounded to two decimal places)
 - ◆ All – COLA on TYO - \$ 1.44 x 1.20 = \$ 1.73 (rounded to two decimal places)
- c. Divide the SIS Monthly Indemnity by 100 to convert it into \$100 units.
 - ◆ All – \$ 1,000 / 100 = 10
- d. Multiply the sum of the Smoker Rates calculated in “b” by the number of \$100 units of Base Monthly Indemnity calculated in “c” (round to 2 decimal places) to get the Total Gross Premium for the SIO Benefit
 - ◆ All – (\$ 24.84 + \$ 6.31 + \$ 5.51 + \$ 1.66 + \$ 4.73 + \$ 1.73) x 10 = \$ 452.50 (rounded to 2 decimal places)
- e. To calculate the Limited MD/SA Benefit “Discount”, multiply the Gross Premium for the SIO Benefit calculated in “d” by the “discount” factor and round to two decimal places. The “discount” factor varies by the Base Maximum Benefit Period (MBP). For a MBP less than equal to 5 years, apply a 5% “discount”. For a MBP greater than 5 years apply a 10% “discount”.
 - ◆ \$ 452.50 x 10% = \$ 45.30 (rounded to 2 decimal places)
- f. To calculate the Total Gross Premium for the SIO Benefit, subtract the Limited MD/SA Benefit “Discount” calculated in “e” from the Gross Premium for the SIO Benefit calculated in “d”.
 - ◆ \$ 452.50 - 45.30 = \$ 407.20 (rounded to 2 decimal places)
- g. Calculate Term Premiums by Multiplying the Level Gross Premium for the Base Benefit in “d” by the Term Factors (and round to 2 decimal places).
 - ◆ Term – \$ 407.20 x 65.292% = \$ 265.87 (rounded to two decimal places)
- h. Premiums for Social Insurance Offset Benefit.
 - ◆ Level \$ 407.20
 - ◆ Term – \$ 265.87
 - ◆ Split/Level – \$ 407.20
 - ◆ Split/Term – \$0.00 (No Split/Term piece on SIO Benefit)

7. Gross Premium for Guaranteed Insurability Benefit (GIB)

(Mutually Exclusive with Life Event Increase Benefit)

- a. Multiply the Premium Rates by the Tobacco Use Rating factor of 1.20 (shown at the bottom of the Premium Table) and round to two decimal places.

- ♦ All – GIO on (round each component below to two decimal places):

Base (Level)	–	\$ 31.12	x	1.2	=	\$ 37.34
Residual	–	\$ 4.98	x	1.2	=	\$ 5.98
COLA	–	\$ 8.65	x	1.2	=	\$ 10.38
Residual/COLA	–	\$ 1.38	x	1.2	=	\$ 1.66
YO	–	\$ 3.94	x	1.2	=	\$ 4.73
YO/COLA	–	\$ 1.44	x	1.2	=	\$ 1.73

- b. Multiply by 25% each of the Nonsmoker Rates per \$100 of Monthly Indemnity for the Base Benefit (Level Premium) and the applicable optional benefits: Residual Disability Benefit with 24 Month Recovery, Total COLA Benefit and the Total YO – To Age 67 Benefit (after adjustment for Graded Life Extension 45/65 MBP, if applicable) and round to two decimal places.

- ♦ All – GIO on (round each component below to two decimal places)::

Base	–	25%	x	\$ 37.34	=	\$ 9.34
Residual	–	25%	x	\$ 5.98	=	\$ 1.49
COLA	–	25%	x	\$ 10.38	=	\$ 2.60
Residual/COLA	–	25%	x	\$ 1.66	=	\$ 0.41
TYO	–	25%	x	\$ 4.73	=	\$ 1.18
TYO/COLA	–	25%	x	\$ 1.73	=	\$ 0.43

- c. Divide the GIB Monthly Indemnity by 100 to convert it into \$100 units.

- ♦ All – \$500 / 100 = 5

- d. Multiply the sum of the GIO Rates calculated in “b” by the number of \$100 units of Base Monthly Indemnity calculated in “c” (round to 2 decimal places) to get the Gross Premium for the GIB

- ♦ All – except Split/Term (\$ 9.34 + \$ 1.49 + \$ 2.60 + \$ 0.41 + \$ 1.18 + \$ 0.43) x 5 = \$ 77.25 (rounded to 2 decimal places)

- ♦ Split/Term = \$ 0.00

- e. To calculate the Limited MD/SA Benefit “Discount”, multiply the Gross Premium for the GIB calculated in “d” by the “discount” factor and round to two decimal places. The “discount” factor varies by the Base Maximum Benefit Period (MBP). For a MBP less than equal to 5 years, apply a 5% “discount”. For a MBP greater than 5 years apply a 10% “discount”.

- ♦ All – except Split/Term \$ 77.25 x 10% = \$ 7.73 (rounded to 2 decimal places)

- ♦ Split/Term = \$ 0.00

- f. To calculate the Total Gross Premium for the GIB, subtract the Limited MD/SA Benefit “Discount” calculated in “e” from the Gross Premium for the GIB calculated in “e”.

- ♦ All – except Split/Term \$ 77.25 - \$ 7.73 = \$ 69.52 (rounded to 2 decimal places)

- ♦ Split/Term = \$ 0.00

7A. Life Event Increase Benefit

(Mutually Exclusive Alternative to Guaranteed Insurability Option Benefit)

The calculation of the Life Event Increase Benefit premium is the same as Guaranteed Insurability Option Benefit above except the factor of 7.5% is used in place of 25%.

8. Gross Premium for Catastrophic Disability Benefit

This benefit is not available in Connecticut. The amount of this benefit is restricted in New Jersey; please see the “Availability of Selected Policy Features” Section of this filing.

- a. From the premium tables for **Catastrophic Disability Benefit** (with the applicable duration) whichever is applicable get the Non-Smoker Premium Rate per \$100 Basic Monthly Indemnity

ty and if applicable, from the premium tables **Cost of Living Adjustment Benefit on Catastrophic Disability Benefit** get the *Non-Smoker Premium Rate per \$100 Basic Monthly Indemnity* based on the following parameters:

- Level Premiums
- Limited MD/SA: N/A.
- Reg. Occ. Period: Standard – N/A
- 3% Simple COLA
- Male
- Occupation Class 5A
- Issue Age 37
- ◆ All – Non-Smoker Premium Rate per \$100 Basic Monthly Indemnity = \$ 1.50
- ◆ All – Non-Smoker Cost of Living Adjustment Benefit = \$ 0.23
- b. Multiply the Premium Rates from “a” by the Tobacco Use Rating factor of 1.15 (shown at the bottom of the Premium Table) and round to two decimal places.
 - ◆ All – Basic Cat. Dis. - \$ 1.85 x 1.10 = \$ 2.13 (rounded to two decimal places)
 - ◆ All – COLA on Cat. Dis. - \$ 0.58 x 1.10 = \$ 0.67 (rounded to two decimal places)
- c. Divide the Base Monthly Indemnity by 100 to convert it into \$100 units.
 - ◆ All – \$ 2,000 / 100 = 20
- d. Multiply the sum of the Smoker Rates calculated in “b” by the number of \$100 units of Base Monthly Indemnity calculated in “c” (round to 2 decimal places) to get the Total Gross Premium for the Catastrophic Benefit.
 - ◆ All except Split/Term – (\$ 2.13 + \$ 0.67) x 20 = \$ 56.00 (rounded to 2 decimal places)
 - ◆ Split/Term = \$ 0.00

9. Subtotal – 1

Sum the Gross Premiums for the Base Benefit, Residual Disability Benefit with 24 Month Recovery, Total COLA Benefit, Total YO – To Age 67 Benefit, “, Limited MD/SA Benefits “discount”, Total SIO Benefit, the GIB and the Catastrophic Disability Benefit

- ◆ Level – \$ 1,867.00 + \$ 299.00 + \$ 602.00 + \$ 323.00 - \$ 309.10 + \$407.20 + \$ 69.52 + \$56.00 = \$ 3,314.62
- ◆ Term – \$ 1,219.00+ \$ 195.22 + \$ 393.06 + \$ 210.89 - \$ 201.82 + \$ 265.87+ \$ 69.52 + \$ 56.00 = \$ 2,207.74
- ◆ Split – Split/Level + Split/Term – (\$ 746.80 + \$ 119.60 + \$ 240.80 + \$ 129.20 - \$ 123.64 + \$ 407.20+ \$ 69.52 + \$ 56.00) + (\$ 1,355.26 + \$ 217.05 + \$ 436.99 + \$ 234.47 - \$ 224.38) = \$ 3,664.87

10. Premiums for Benefits Added After Issue.

The premiums for these policy changes are calculated as described above. The premium shown for the first four items below would be the sum of Step 1 through 4, if applicable.

- a. Exercises of the Automatic Increase Benefit.
- b. Exercises of the Guaranteed Insurability Option Benefit.
- c. Increases to the Monthly Indemnity Benefit added with Underwriting.
- d. Any Other Increase to Monthly Indemnity Benefit.
- e. Optional Benefits Added After Issue.

11. Gross Premium for the Substandard Rating

Multiply the sum of Subtotal – 1 and the total of Premiums for Benefits Added After Issue by the Substandard Rating factor (from Client Facts) and round to two decimal places.

- ◆ Level - \$ 3,314.62 x 20% = \$ 662.92 (rounded to two decimal position)
- ◆ Term - \$ 2,207.74 x 20% = \$ 441.55 (rounded to two decimal position)
- ◆ Split - \$ 3,664.87 x 20% = \$ 732.98 (rounded to two decimal position)

12. Subtotal – 2

Sum *Subtotal – 1*, the total of Premiums for Benefits Added After Issue, the Preferred Rate Class Adjustment and the Gross Premium for the Substandard Rating

- ◆ Level - \$ 3,314.62 + \$ 662.92 = \$ 3,977.54
- ◆ Term - \$ 2,207.74 + \$ 441.55 = \$ 2,649.29
- ◆ Split - \$ 3,664.87 + \$ 732.98 = \$ 4,397.85

13. Policy Fee

Policy Fee is \$60.00 per annum. If it is necessary to divide coverage for an individual between two policies, we will waive the second policy fee.

14. Subtotal – 3

Sum *Subtotal – 2*, and the Policy Fee

- ◆ Level - \$ 3,977.54 + \$ 60.00 = \$ 4,037.54
- ◆ Term - \$ 2,649.29 + \$ 60.00 = \$ 2,709.29
- ◆ Split - \$ 4,397.85 + \$ 60.00 = \$ 4,457.85

15. Refund of Premium

This benefit is not available in Connecticut, Florida, New Jersey, New York, Oregon, Pennsylvania and Tennessee.

- ◆ Level - \$ 4,037.54 x 70.0% = \$ 2,826.28 (rounded to two decimal places)
- ◆ Term - \$ 2,709.29 x 70.0% = \$ 1,896.50 (rounded to two decimal places)
- ◆ Split - \$ 4,457.85 x 70.0% = \$ 3,120.50 (rounded to two decimal places)

16. Subtotal – 4

- ◆ Level - \$ 4,037.54 + \$ 2,826.28 = \$ 6,863.82
- ◆ Term - \$ 2,709.29 + \$ 1,896.50 = \$ 4,605.79
- ◆ Split - \$ 4,457.85 + \$ 3,120.50 = \$ 7,578.35

17. Employer Multi-life / Association Case / Multi-policy Discount

The Employer Sponsored Case and Association Sponsored Case discounts are described in the Miscellaneous pages of the rate filing. The discounts for employer and association sponsorship are mutually exclusive.

The multi-policy discount (5%) is only available to individually sold disability applicants who are currently applying for within the last twelve months or have purchased a MetLife individual life insurance policy. The discounts for employer and association sponsorship may be combined with the Multi-policy discount. The combined discount used in the formula below is:

$$\text{EmployerAssocDisc} + \text{MultiPolicyDisc}$$

From the Client Facts look up the Multi-life Case Discount for which the policy is eligible. Multiply Subtotal – 4 by the Multi-life Case Discount (since this is a discount, a negative amount should be used in the calculation) and round to two decimal places to get the Multi-life Case Discount Amount.

- ◆ Level - \$ 6,863.82 x 0.00% = \$ 0.00
- ◆ Term - \$ 4,605.79 x 0.00% = \$ 0.00
- ◆ Split - \$ 7,578.35 x 0.00% = \$ 0.00

In New Jersey only, the reduction in the premium resulting from these calculations will be allocated proportionately to the lines above.

18. Spousal Catastrophic Disability Benefit

This benefit will only be issued on a standard rated basis. This benefit is not available in Connecticut and New Jersey.

- ◆ **Spousal Catastrophic Disability Benefit Nonsmoker Premium Rate per \$100 Monthly Indemnity= \$ 1.18 (same as the occupational class 1A premium rates for the Catastrophic Disability benefit)**
- ◆ Spousal Catastrophic Disability Benefit Smoker Premium Rate per \$100 Monthly Indemnity $\$ 1.12 * 1.10 = \$ 1.23$ (Note: Use the Occupational Class 1A Factor)
- ◆ Substandard Rating $\$ 1.23 * 40\% = \0.49
- ◆ Premium for the Refund of Premium Benefit on the Spousal Catastrophic Disability Benefit, if applicable $(\$ 1.23 + \$ 0.49) * 70.0\% = \$ 1.20$, rounded to cents.
- ◆ Spousal Catastrophic Disability Benefit Monthly Indemnity - $\$1600 / \$100 = 16$
- ◆ Premium for Spousal Catastrophic Disability Benefit – $(\$ 1.23 + \$ 0.49 + \$ 1.20) * 16 = \$ 46.72$, rounded to cents.

19. Annual Premium

Sum *Subtotal* – 4 and the Multi-life Case Discount Amount and the Spousal Catastrophic Disability Benefit to get the Annual Premium for the policy

- ◆ Level - $\$ 6,863.82 - \$ 0.00 + \$ 46.72 = \$ 6,910.54$
- ◆ Term - $\$ 4,605.79 - \$ 0.00 + \$ 46.72 = \$ 4,652.51$
- ◆ Split - $\$ 7,578.35 - \$ 0.00 + \$ 46.72 = \$ 7,625.07$

20. Modal Premiums

a.	Modal Premium Factors:	Regular Billed	List-billed
	Annual	1.0000	0.9500
	Semi-annual	0.5100	0.4845
	Quarterly	0.2800	0.2660
		(0.2650 in FL)	(0.2650 in FL)
	Pre-authorized Check	0.0863	0.0820
	Monthly Billed	0.0932	N/A
		(0.0900 in FL)	
		Employer or Assoc. <u>Multi-life Discounts</u>	No Employer or Assoc. <u>Multi-life Discounts</u>
	Monthly list-billed	0.0863	0.0820
	Semi-monthly list-billed	0.0432	0.0410
	Quad weekly list-billed	0.0800	0.0760
	Biweekly list-billed	0.0400	0.0380

b. Semi-annual

Multiply the Annual Premium by the Semi-Annual Modal Factor, rounding to two decimal places to get the Semi-Annual Premium Amount.

- ◆ Level - $\$ 6,910.54 * 0.5100 = \$ 3,524.38$ (rounded to two decimal places)
- ◆ Term - $\$ 4,652.51 * 0.5100 = \$ 2,372.78$ (rounded to two decimal places)
- ◆ Split - $\$ 7,625.07 * 0.5100 = \$ 3,888.79$ (rounded to two decimal places)

c. Monthly Pre-authorized Check

d. Multiply the Annual Premium by the Pre-authorized Check Modal Factor, rounding to two decimal places to get the Semi-Annual Premium Amount.

- ◆ Level - $\$ 6,910.54 * 0.0863 = \$ 596.38$ (rounded to two decimal places)
- ◆ Temp - $\$ 4,652.51 * 0.0863 = \$ 401.51$ (rounded to two decimal places)
- ◆ Split - $\$ 7,625.07 * 0.0863 = \$ 658.04$ (rounded to two decimal places)

21. Automatic Increase Benefit

Five percent of the Base Monthly Indemnity ($5\% * \$5,000 = \250).

- a. For the next five policy anniversaries, lookup the premium rates for the base benefit, residual benefit, COLA benefit (and residual benefit thereon), and the appropriate your occupation benefit (and COLA thereon)

Policy Anniversary	1	2	3	4	5
Attained Age	38	39	40	41	42
Base Benefit	33.01	34.98	37.00	39.09	41.22
Residual Benefit	5.28	5.60	5.92	6.25	6.60
COLA Benefit	8.94	9.23	9.51	9.77	10.01
Res. On COLA	1.43	1.48	1.52	1.56	1.60
YO – To Age 67	4.15	4.37	4.59	4.81	5.03
COLA on YO	1.48	1.52	1.56	1.59	1.62

- b. Apply the smoker factor (multiply the premium rates above by 1.20), if applicable.
 Total the premium rates.

Policy Anniversary	1	2	3	4	5
Attained Age	38	39	40	41	42
Base Benefit	39.61	41.98	44.40	46.91	49.46
Residual Benefit	6.34	6.72	7.10	7.50	7.92
COLA Benefit	10.73	11.08	11.41	11.72	12.01
Res. On COLA	1.72	1.78	1.82	1.87	1.92
YO – To Age 67	4.98	5.24	5.51	5.77	6.04
COLA on YO	1.78	1.82	1.87	1.91	1.94
Total	65.16	68.62	72.11	75.68	79.29

- c. Multiply the premium rates above by the AIB monthly indemnity in hundreds ($\$250 / 100 = 2.50$) and round the product to two decimal places.

Policy Anniversary	1	2	3	4	5
Attained Age	38	39	40	41	42
Total	65.16	68.62	72.11	75.68	79.29
AIB Monthly Indemnity	2.50	2.50	2.50	2.50	2.50
Annual AIB Premiums before Adjustments and Discounts	162.90	171.55	180.28	189.20	198.23

- d. Calculate Substandard Ratings, Financial Disclosure Adjustments, Good Health Benefit and Multi-life Discounts components to the premium.

Policy Anniversary	1	2	3	4	5
Attained Age	38	39	40	41	42
Annual AIB Premiums before Adjustments and Discounts*	162.90	171.55	180.28	189.20	198.23
Substandard Rating (20%)	32.58	34.31	36.06	37.84	39.65
Subtotal 1	195.48	205.86	216.34	227.04	237.88
Good Health Benefit (Factor 70%)	136.84	144.10	151.44	158.93	166.52
Subtotal 2	332.32	349.96	367.78	385.97	404.40
Employer ML / Assoc. Discount (5%)	0.00	0.00	0.00	0.00	0.00
Annual AIB Premiums	332.32	349.96	367.78	385.97	404.40
* The premiums from this line carry into Line 10a of the main premium calculation.					

- e. Modal Premiums

Policy Anniversary	1	2	3	4	5
Attained Age	38	39	40	41	42
Annual AIB Premiums	332.32	349.96	367.78	385.97	404.40
Semi-annual (0.5100)	169.48	178.48	187.57	196.84	206.24
Pre-authorized check (0.0863)	28.68	30.20	31.74	33.31	34.90

Premium Calculation Summary – Policy Form IDIP12-01 with Standard Definition of Total Disability												
	Rating Variables	Non-smoker Rate Per \$100 of MI		Factor for Tobacco Use		Smoker Rate per \$100 of MI		Monthly Benefit in \$100 Units		Term Factor		Gross Premium
(1)	Base Benefit											
	Level	31.12	x	1.2	=	37.34	x	50		N/A	=	\$ 1,867.00
	Term	31.12	x	1.2	=	37.34	x	50	x	65.292%	=	\$ 1,219.00
	Split/Level	31.12	x	1.2	=	37.34	x	20		N/A	=	\$ 746.80
	Split/Term	31.12	x	1.2	=	37.34	x	30	x	120.984%	=	\$ 1,355.26
(2)	Residual Benefit with 24 Month Recovery											
	Level	4.98	x	1.2	=	5.98	x	50		N/A	=	\$ 299.00
	Term	4.98	x	1.2	=	5.98	x	50	x	65.292%	=	\$ 195.22
	Split/Level	4.98	x	1.2	=	5.98	x	20		N/A	=	\$ 119.60
	Split/Term	4.98	x	1.2	=	5.98	x	30	x	120.984%	=	\$ 217.05
(3)	Cost of Living Adjustment (COLA)											
	COLA – Base Benefit	8.65	x	1.2	=	10.38						
	COLA – Residual Benefit with 24 Month Recovery	1.38	x	1.2	=	1.66						
	Total Cost of Living Adjustment (COLA)	10.03	x	1.2	=	12.04						
	Level	10.03	x	1.2	=	12.04	x	50		N/A	=	\$ 602.00
	Term	10.03	x	1.2	=	12.04	x	50	x	65.292%	=	\$ 393.06
	Split/Level	10.03	x	1.2	=	12.04	x	20		N/A	=	\$ 240.80
	Split/Term	10.03	x	1.2	=	12.04	x	30	X	120.984%	=	\$ 436.99
(4)	Your Occupation Benefit											
	Note: Policies issued with the Alternate Definition of Total Disability the YO premium component on the base benefit calculation is included with the base benefit calculation above and the COLA Component of Your Occupation benefit is included with the COLA benefit above.											
	YO on Base	3.94	x	1.2	=	4.73						
	YO on COLA	1.44	x	1.2	=	1.73						
	Total Your Occ.											
	Level	5.38	x	1.2	=	6.46	x	50		N/A	=	\$ 323.00
	Term	5.38	x	1.2	=	6.46	x	50	x	65.292%	=	\$ 210.89
	Split/Level	5.38	x	1.2	=	6.46	x	20		N/A	=	\$ 129.20
	Split/Term	5.38	x	1.2	=	6.46	x	30	x	120.984%	=	\$ 234.47

Premium Calculation Summary – Policy Form IDIP12-01 with Standard Definition of Total Disability												
	Rating Variables	Non-smoker Rate Per \$100 of MI		Factor for Tobacco Use		Smoker Rate per \$100 of MI		Monthly Benefit in \$100 Units		Term Factor		Gross Premium
(4A)	Transitional Your Occ. (TYO)											
	Not available on policies issued with the Alternate Definition of Total Disability											
	TYO - To Age 67	2.39	x	1.2	=	2.87						
	TYO – To Age 67 - COLA	0.94	x	1.2	=	1.13						
	Total Transitional Your Occ. (TYO) – To Age 67											
	Level	3.33	x	1.2	=	4.00	x	50		N/A	=	\$ 200.00
	Term	3.33	x	1.2	=	4.00	x	50	x	65.292%	=	\$ 130.58
	Split/Level	3.33	x	1.2	=	4.00	x	20		N/A	=	\$ 80.00
	Split/Term	3.33	x	1.2	=	4.00	x	30	x	120.984%	=	\$ 145.18
(5)	Limited MD/SA Benefits							Subtotal		“Discount”		
	Level							3,091.00	x	10%	x	\$ 309.10
	Term							2,018.17	x	10%	x	\$ 201.82
	Split/Level							1,236.40	x	10%	x	\$ 123.64
	Split/Term							2,243.77	x	10%	x	\$ 224.38
(6)	Social Insurance Offset Benefit (SIO)											
	SIO – Basic	20.70	x	1.2	=	24.84						
	Residual Benefit with 24 Month Recovery	4.59	x	1.2	=	5.51						
	SIO – COLA	5.26	x	1.2	=	6.31						
	Residual Benefit with 24 Month Recovery - COLA	1.38	x	1.2	=	1.66						
	Your Occ	3.94	x	1.2	=	4.73						
	Your Occ. - COLA	1.44	x	1.2	=	1.73						
(a)	Total Social Insurance Offset Benefit (SIO)					45.25						
(b)	Limited MD/SA Benefits "discount"	"Discount" = 10% x (a)			=	4.53						
(a)-(b)	Social Insurance Offset Offset Benefit (SIO)				=	40.72						
	Level					40.72	x	10		N/A	=	\$ 407.20
	Term					40.72	x	10	x	65.292%	=	\$ 265.87
	Split/Term					N/A	x	N/A		N/A	=	N/A

Premium Calculation Summary – Policy Form IDIP12-01 with Standard Definition of Total Disability												
	Rating Variables	Non-smoker Rate Per \$100 of MI		Factor for Tobacco Use		Smoker Rate per \$100 of MI		Monthly Benefit in \$100 Units		Term Factor		Gross Premium
(7)	Guaranteed Insurability Benefit											
	Level Premium Rate - Base Benefit	37.34	x	25%	=	9.34						
	1.2 x 31.12											
	Residual Benefit Premium 1.2 x 4.98	5.98	x	25%	=	1.49						
	COLA Benefit Premium 1.2 x 8.65	10.38	x	25%	=	2.60						
	Residual-COLA Premium 1.2 x 1.38	1.66	x	25%	=	0.41						
	YO Benefit Premium 1.2 x 3.94	4.73	x	25%	=	1.18						
	YO COLA Premium 1.2 x 1.44	1.73	x	25%	=	0.43						
(a)	Gross Premium - Guaranteed Insurability Benefit					15.45	x	5	=			\$ 77.25
(b)	Limited MD/SA Benefits "discount"							"Discount" = 10% x (a)				\$ 7.73
(a)-(b)	Gross Premium – Total Guaranteed Insurability Benefit											\$ 69.52
	All – except Split/Term											\$ 69.52
	Split/Term											\$ 0.00
(7A)	Life Event Benefit											
	Level Premium Rate - Base Benefit	37.34	x	7.5%	=	2.80						
	1.2 x 31.12											
	Residual Benefit Premium 1.2 x 4.98	5.98	x	7.5%	=	0.45						
	COLA Benefit Premium 1.2 x 8.65	10.38	x	7.5%	=	0.78						
	Residual-COLA Premium 1.2 x 1.38	1.66	x	7.5%	=	0.12						
	YO Benefit Premium 1.2 x 3.94	4.73	x	7.5%	=	0.35						
	YO COLA Premium 1.2 x 1.44	1.73	x	7.5%	=	0.13						
(a)	Gross Premium - Life Event Benefit					4.63	x	5	=			\$ 23.15
(b)	Limited MD/SA Benefits "discount"							"Discount" = 10% x (a)				\$ 2.32
(a)-(b)	Gross Premium – Total Life Event Benefit											\$ 20.83
	All – except Split/Term											\$ 69.52
	Split/Term											\$ 0.00

Premium Calculation Summary – Policy Form IDIP12-01 with Standard Definition of Total Disability												
	Rating Variables	Non-smoker Rate Per \$100 of MI		Factor for Tobacco Use		Smoker Rate per \$100 of MI		Monthly Benefit in \$100 Units		Term Factor		Gross Premium
(8)	Catastrophic Disability Benefit											
	Catastrophic Disability Benefit Basic	1.85	x	1.10	=	2.13						
	COLA on Catastrophic Disability Benefit	0.58	x	1.10	=	0.67						
	Catastrophic Disability Benefit					2.8	x	20	=			\$ 56.00
	All – except Split/Term											\$ 56.00
	Split/Term											\$0.00

Premium Calculation Summary – Policy Form IDIP12-01 with Standard Definition of Total Disability								
	Premium Calculation Summary (Continued)					Level	Term	Split
(9)	Subtotal – 1					\$ 3,314.62	\$ 2,207.74	\$ 3,664.87
(10)	Premiums for Benefits Added After Issue							
	a.	Exercises of the Automatic Increase Benefit.						
	b.	Exercises of the Guaranteed Insurability Option Benefit.						
	c.	Increases to the Monthly Indemnity Benefit added with Underwriting.						
	d.	Any Other Increase to Monthly Indemnity Benefit.						
	e.	Optional Benefits Added After Issue.						
(11)	Substandard Rating					\$ 662.92	\$ 441.55	\$ 732.98
(12)	Subtotal – 2					\$ 3,977.54	\$ 2,649.29	\$ 4,397.85
(13)	Policy Fee					\$60.00	\$60.00	\$60.00
(14)	Subtotal – 3					\$ 4,037.54	\$ 2,709.29	\$ 4,457.85
(15)	Refund of Premium (70% of Subtotal 3)					\$ 2,826.28	\$ 1,896.50	\$ 3,120.50
(16)	Subtotal – 4					\$ 6,863.82	\$ 4,605.79	\$ 7,578.35
(17)	Employer Multi-life / Association Case Discount					\$0.00	\$0.00	\$0.00
(18)	Spousal Catastrophic Disability Benefit							
	Premium Rate for Catastrophic Disability Benefit Occupa-							
	tional Class 1A; Nonsmoker	1.12						
	Smoker Factor – Class 1A	1.10						
	Smoker Premium Rate	1.23						
	Substandard Rating (40%), if applicable	0.49						
	Refund of Premium Benefit (70%) of the sum of the previ-							
	ous two lines	1.20						
	Sum of the above three lines times number of units	2.92	x	16		\$ 46.72	\$ 46.72	\$ 46.72
(19)	Annual Premium					\$ 6,910.54	\$ 4,652.51	\$ 7,625.07
(20)	Modal Premium							
	Semi-Annual					\$ 3,524.38	\$ 2,372.78	\$ 3,888.79
	Monthly Pre-authorized Check					\$ 596.38	\$ 401.51	\$ 658.04
(21)	Automatic Increase Benefit							
	See main body of this document.							

Otherwise Blank

State:	District of Columbia	Filing Company:	Metropolitan Life Insurance Company
TOI/Sub-TOI:	H111 Individual Health - Disability Income/H111.004 Other		
Product Name:	Individual Disability Income Forms		
Project Name/Number:	IDIP12-01/B12-32 RW		

Supporting Document Schedules

Satisfied - Item:	Cover Letter All Filings
Comments:	Cover Letter All Filings
Attachment(s):	Filing Letter - Discount Calculation - Appd States.pdf
Item Status:	
Status Date:	

Bypassed - Item:	Certificate of Authority to File
Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Actuarial Memorandum
Comments:	Actuarial Memorandum
Attachment(s):	Revised_Discount_Stacking_Method_Changes_NFNV.pdf
Item Status:	
Status Date:	

Bypassed - Item:	Actuarial Justification
Bypass Reason:	Acknowledged
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	District of Columbia and Countrywide Loss Ratio Analysis (P&C)
Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	

State:	District of Columbia	Filing Company:	Metropolitan Life Insurance Company
TOI/Sub-TOI:	H111 Individual Health - Disability Income/H111.004 Other		
Product Name:	Individual Disability Income Forms		
Project Name/Number:	IDIP12-01/B12-32 RW		

Bypassed - Item:	District of Columbia and Countrywide Experience for the Last 5 Years (P&C)
Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Actuarial Memorandum and Certifications
Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Unified Rate Review Template
Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	

Metropolitan Life Insurance Company
501 Route 22, Bridgewater Township, NJ 08807
Tel 908 253-2288 Fax 908 253-2528
rwinograd@metlife.com



Robert Winograd
Senior Contract Analyst
Group and SBC Contracts & Compliance Department

August 19, 2013

District of Columbia
Government of the District of Columbia
Department of Insurance, Securities, and Banking
810 First Street, N.E., Suite 701
Washington, DC 20002

Re: Filing No. B12-32 RW
Individual Disability Income Forms
Our NAIC Company No. is 65978
Our FEIN is 13-5581829

Dear Sir/Madam:

Subsequent to your approval on **December 31, 2012 (SERFF Track number META-128721221)** of the above filing we found that the description of the calculation for combining an employer-sponsored case or association-sponsored case discount with the multi-policy discount was incorrectly stated.

We have accordingly enclosed for your information:

1. A replacement section for the premium calculation method. This section replaces pages 45 to 92 (the numbering may differ slightly in some states) of the first volume of the premium filing.
2. A description of the correction to the premium calculation method, showing the premium examples in "track changes" format so that you may more easily see what has changed. The specific section is entitled "Employer Multi-life / Association Case Discount / Multi-policy Discount", which is numbered as step 16 or 17. (This is being attached as a supporting document.)

Please accept our apology for any confusion caused by this corrective filing.

Very truly yours

A handwritten signature in black ink that reads "Robert Winograd". The signature is fluid and cursive, with the first name "Robert" and last name "Winograd" clearly distinguishable.

Robert Winograd
Senior Contract Analyst

B12-32 RW

METROPOLITAN LIFE INSURANCE COMPANY
Policy Forms IDIP12-01 et al and Associated Riders and Endorsements

Updated Premium Calculation Method

The attached three pages show the material change to the premium filing for the policy forms listed below and associated riders and endorsements. The applicable change is the replacement of the calculation for the combined multi-policy discount with either the association- sponsorship discount or the employer-sponsorship discount. (These pages also show some premium values as changes, but these are variable fields in the source document to enable it to be used in most states.) An internal communication error necessitated this change.

We have also included a replacement section for the premium calculation method. This section replaces pages 45 to 92 (differs slightly in some states) of the first section of the premium filing.

We assure your Department that:

1. All policies on these policy forms whether currently in-force or issued in the future will use this premium calculation method, and
2. Any policies issued with a higher premium will have the excess applied to future premiums (or refunded if the policy is no longer in-force).

We apologize for any confusion that this change has caused.

Note: A few other minor changes have been made, but these merely clarify our meaning and don't change any calculations.

Affected Policy Forms

Policy Form	Difference from IDIP12-01	State Availability
IDIP12-01	Not Applicable.	All states
IDIP12-02	Separate form number incorporating the alternate definition of Total Disability.	Georgia, Louisiana, Maryland, Massachusetts, Minnesota, Montana, Missouri, Ohio, Texas, and Virginia
IDIP12-03	None except separate form number to compliance with franchise regulations.	Florida, Iowa, New York, Ohio, Pennsylvania and South Carolina
IDIP12-04	Franchise form for IDIP12-02.	Ohio
IDIP12-05	Normal pregnancy exclusion deleted.	Louisiana and Minnesota
IDIP12-08	Separate form number incorporating the alternate definition of Total Disability with normal pregnancy exclusion deleted.	Louisiana and Minnesota

13. Policy Fee

Policy Fee is \$ 60.00 per annum. If it is necessary to divide coverage for an individual between two policies, we will waive the second policy fee.

14. Subtotal – 3

Sum *Subtotal – 2*, and the Policy Fee

♦ Level Premium: \$ [6,884.72](#) + \$ 60.00 = \$ [6,944.72](#)

15. Refund of Premium

This benefit is not available in Connecticut, Florida, New Jersey, New York, Oregon, Pennsylvania and Tennessee.

♦ Level Premium: \$ [6,944.72](#) * 70.0% = \$ [4,798.59](#) (rounded to two decimal places)

16. Subtotal – 4

♦ Level Premium: \$ [6,944.72](#) + \$ [4,861.30](#) = \$ [11,806.02](#)

17. Employer Multi-life / Association Case Discount / Multi-policy Discount

The discounts for employer and association sponsorship are mutually exclusive.

The multi-policy discount (5%) is only available to individually sold disability applicants who are currently applying for within the last twelve months or have purchased a MetLife individual life insurance policy. ~~Except in New Jersey, the discounts for employer and association sponsorship may be combined with the Multi-policy discount. (In New Jersey only the discount for association sponsorship may be combined with the Multi-policy discount.)~~ The combined discount used in the formula below is:

$$1 - (1 - \text{EmployerAssocDisc}) * (1 - \text{MultiPolicyDisc})$$

$$\text{EmployerAssocDisc} + \text{MultiPolicyDisc}$$

From the Client Facts look up the Multi-life Case Discount for which the policy is eligible. Multiply Subtotal – 4 by the Multi-life Case Discount (since this is a discount, a negative amount should be used in the calculation) and round to two decimal places to get the Multi-life Case Discount Amount.

♦ Level Premium: \$ [11,806.02](#) x -0.00% = - \$ 0.00

In New Jersey only, the reduction in the premium resulting from these calculations will be allocated proportionately to the lines above.

18. Spousal Catastrophic Disability Benefit

This benefit will only be issued on a standard rated basis. This benefit is not available in Connecticut and New Jersey.

- ♦ Spousal Catastrophic Disability Benefit Nonsmoker Premium Rate per \$100 Monthly Indemnity = \$ 1.12 (same as the occupational class 1A premium rates for the Catastrophic Disability benefit)
- ♦ Spousal Catastrophic Disability Benefit Smoker Premium Rate per \$100 Monthly Indemnity \$ 1.12 * 1.10 = \$ 1.23 (Note: Use the Occupational Class 1A Factor)
- ♦ Substandard Rating \$ 1.23 * 40% = \$ 0.49
- ♦ Premium for the Refund of Premium Benefit on the Spousal Catastrophic Disability Benefit, if applicable (\$ 1.23 + \$ 0.42) * 70.0% = \$ 1.20, rounded to cents.
- ♦ Spousal Catastrophic Disability Benefit Monthly Indemnity - \$1600 / \$100 = 16
- ♦ Premium for Spousal Catastrophic Disability Benefit – (\$ 1.23 + \$ 0.49 + \$ 1.20) x 16 = \$ 46.72, rounded to two decimal places.

14. Refund of Premium

This benefit is not available in Connecticut, Florida, New Jersey, New York, Oregon, Pennsylvania and Tennessee.

- ◆ Level Premium: \$ 6,944.72 * 70.0% = \$ 4,798.59 (rounded to two decimal places)

15. Subtotal – 4

- ◆ Level Premium: \$ 6,944.72 + \$ 4,861.30 = \$ 11,806.02

16. Employer Multi-life / Association Case Discount / Multi-policy Discount

The discounts for employer and association sponsorship are mutually exclusive.

The multi-policy discount (5%) is only available to individually sold disability applicants who are currently applying for within the last twelve months or have purchased a MetLife individual life insurance policy. ~~Except in New Jersey, the discounts for employer and association sponsorship may be combined with the Multi-policy discount. (In New Jersey only the discount for association sponsorship may be combined with the Multi-policy discount.)~~ The combined discount used in the formula below is:

$$1 - (1 - \text{EmployerAssocDisc}) * (1 - \text{MultiPolicyDisc})$$

$$\text{EmployerAssocDisc} + \text{MultiPolicyDisc}$$

From the Client Facts look up the Multi-life Case Discount for which the policy is eligible. Multiply Subtotal – 4 by the Multi-life Case Discount (since this is a discount, a negative amount should be used in the calculation) and round to two decimal places to get the Multi-life Case Discount Amount.

- ◆ Level Premium: \$ 11,806.02 x -0.00% = - \$ 0.00 (rounded to two decimal places)

In New Jersey only, the reduction in the premium resulting from these calculations will be allocated proportionately to the lines above.

17. Spousal Catastrophic Disability Benefit

This benefit will only be issued on a standard rated basis. This benefit is not available in Connecticut and New Jersey.

- ◆ **Spousal Catastrophic Disability Benefit Nonsmoker Premium Rate per \$100 Monthly Indemnity = \$ 1.12 (same as the occupational class 1A premium rates for the Catastrophic Disability benefit)**
- ◆ Spousal Catastrophic Disability Benefit Smoker Premium Rate per \$100 Monthly Indemnity \$ 1.12 * 1.10 = \$ 1.23 (Note: Use the Occupational Class 1A Factor)
- ◆ Substandard Rating \$ 1.23 * 40% = \$ 0.49
- ◆ Premium for the Refund of Premium Benefit on the Spousal Catastrophic Disability Benefit, if applicable (\$ 1.23 + \$ 0.42) * 70.0% = \$ 1.20, rounded to cents.
- ◆ Spousal Catastrophic Disability Benefit Monthly Indemnity - \$1600 / \$100 = 16
- ◆ Premium for Spousal Catastrophic Disability Benefit – (\$ 1.23 + \$ 0.49 + \$ 1.20) x 16 = \$ 46.72, rounded to two decimal places.

18. Annual Premium

Sum *Subtotal – 4* and the Multi-life Case Discount Amount to get the Annual Premium for the policy

- ◆ Level Premium: \$ 11,806.02 + - \$ 0.00 + \$ 46.72 = \$ 11,852.74

12. Subtotal – 2

Sum *Subtotal – 1*, the total of Premiums for Benefits Added After Issue, the Preferred Rate Class Adjustment and the Gross Premium for the Substandard Rating

- ◆ Level - \$ [3,314.62](#) + \$ [662.92](#) = \$ [3,977.54](#)
- ◆ Term - \$ [2,207.74](#) + \$ [441.55](#) = \$ [2,649.29](#)
- ◆ Split - \$ [3,664.87](#) + \$ [732.98](#) = \$ [4,397.85](#)

13. Policy Fee

Policy Fee is \$60.00 per annum. If it is necessary to divide coverage for an individual between two policies, we will waive the second policy fee.

14. Subtotal – 3

Sum *Subtotal – 2*, and the Policy Fee

- ◆ Level - \$ [3,977.54](#) + \$ 60.00 = \$ [4,037.54](#)
- ◆ Term - \$ [2,649.29](#) + \$ 60.00 = \$ [2,709.29](#)
- ◆ Split - \$ [4,397.85](#) + \$ 60.00 = \$ [4,457.85](#)

15. Refund of Premium

This benefit is not available in Connecticut, Florida, New Jersey, New York, Oregon, Pennsylvania and Tennessee.

- ◆ Level - \$ [4,037.54](#) x 70.0% = \$ [2,826.28](#) (rounded to two decimal places)
- ◆ Term - \$ [2,709.29](#) x 70.0% = \$ [1,896.50](#) (rounded to two decimal places)
- ◆ Split - \$ [4,457.85](#) x 70.0% = \$ [3,120.50](#) (rounded to two decimal places)

16. Subtotal – 4

- ◆ Level - \$ [4,037.54](#) + \$ [2,826.28](#) = \$ [6,863.82](#)
- ◆ Term - \$ [2,709.29](#) + \$ [1,896.50](#) = \$ [4,605.79](#)
- ◆ Split - \$ [4,457.85](#) + \$ [3,120.50](#) = \$ [7,578.35](#)

17. Employer Multi-life / Association Case / Multi-policy Discount

The Employer Sponsored Case and Association Sponsored Case discounts are described in the Miscellaneous pages of the rate filing. The discounts for employer and association sponsorship are mutually exclusive.

The multi-policy discount (5%) is only available to individually sold disability applicants who are currently applying for within the last twelve months or have purchased a MetLife individual life insurance policy. ~~Except in New Jersey, the discounts for employer and association sponsorship may be combined with the Multi-policy discount.~~ ~~(In New Jersey only the discount for association sponsorship may be combined with the Multi-policy discount.)~~ The combined discount used in the formula below is:

$$1 - (1 - \text{EmployerAssocDisc}) * (1 - \text{MultiPolicyDisc})$$

$$\text{EmployerAssocDisc} + \text{MultiPolicyDisc}$$

From the Client Facts look up the Multi-life Case Discount for which the policy is eligible. Multiply Subtotal – 4 by the Multi-life Case Discount (since this is a discount, a negative amount should be used in the calculation) and round to two decimal places to get the Multi-life Case Discount Amount.

- ◆ Level - \$ [6,863.82](#) x 0.00% = \$ 0.00
- ◆ Term - \$ [4,605.79](#) x 0.00% = \$ 0.00
- ◆ Split - \$ [7,578.35](#) x 0.00% = \$ 0.00

In New Jersey only, the reduction in the premium resulting from these calculations will be allocated proportionately to the lines above.

Field Code Changed

Field Code Changed